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Poverty politics.
Reconceptualising economic growth
in
Durban, South Africa

by

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Thesis submitted in fulfilment of Doctor of Philosophy

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Abstract

In this thesis I show how narrow representations of 'the economy' in urban poverty discourses and practices have channelled the attention of academics and policy makers in particular ways as they have attempted to address urban poverty. I explore representations of the relationship between poverty and economic growth by these groups to show how dominant urban poverty discourses and practices tend, at best, to place poor people in the informal economy or at worst, outside of the economies of cities. One reason for this is traced to poverty studies' understanding of poor people as independent units undertaking survivalist activities or livelihoods. However, thinking of poor people as making up dispersed sets of networks connected into a diverse economy opens up new spatial imaginations of the city and new possibilities for policies aimed at achieving social justice. Drawing on the example of the city of Durban, South Africa, I explore how thinking about poor people's activities in different ways makes it possible to move beyond formal/informal economy dichotomies which dominate scholarly and policy analysis. I demonstrate that poor people are already connected to, and are part of, economic growth processes and that these growth processes would not be possible without including poor people. The 'poverty politics' to which this research refers relates to ways in which it is possible to see and write poor peoples' economic activities into a broader story of economic growth.

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Acronyms and Abbreviations

AIDS	Acquired Immunodeficiency Syndrome
ANC	African National Congress
COSATU	Congress of South African Trade Unions
CROP	Comparative Research Programme on Poverty
DA	Democratic Alliance
EDD	Economic Development Department, eThekweni Municipality
GEAR	Growth Employment and Redistribution
HIV	Human Immunodeficiency Virus
ICC	International Convention Centre, Durban
IFP	Inkatha Freedom Party
IDP	Integrated Development Plan
IYY	Inkatha Yenkululeko Yesizwe
LED	Local economic development
LSMS	Living Standards Measurement Survey
LTDF	Long Term Development Framework
LTDS	Long Term Development Strategy
NGO	Non-governmental organisation
PIR	Poverty and Inequality Report
PSLSD	Project for Statistics on Living Standards Development
RDP	Reconstruction and Development Programme
SACP	South African Communist Party
SALDRU	Southern African Labour and Development Resource Unit
SANGOCO	South African NGO Coalition
SA-PPA	South African Participatory Poverty Assessment
SEWU	Self-Employed Worker's Union
UDF	United Democratic Front
UNDP	United Nations Development Programme
WIEGO	Women in Informal Employment: Globalising and Organising

Conceptually, professionals are caught in their own poverty trap

Robert Chambers (1992, 305)

One

Introduction

It is the argument of this thesis that approaches to poverty, through their understanding and investment in a conception of economic growth, thwart attempts to reduce poverty in South Africa. In stark contrast to the daily encounters with poverty, the diversity of research and the policy priority status accorded it, the ways of approaching poverty in South Africa appear remarkably narrow and restrictive.

Poverty in South Africa is visceral and starkly evident. Everyday life persistently snags on ever-present reminders of deprivation, suffering, anxieties and misery. Sometimes this brutal intimacy with drudgery and vulnerability is presented as a failure to realise the promise of a post-Apartheid South Africa. More commonly though, poverty is understood 'simply' as an important societal issue to be urgently addressed, and it should be noted that South Africa is little different in this respect from other countries in prioritising poverty as a social issue (Øyen, Miller, and Samad 1996).

The urgency of addressing poverty is reinforced and made ever more palpable through the investments that various agencies and institutions make in diverse ways of addressing poverty. Indeed the debates and discussions over the causes

and effects of poverty trace a discursive thread that binds respected religious leaders and prominent business people to the general public and considerably exercises the minds of those in government and those involved in poverty research. There is no shortage of research attention paid to the relationship between poverty and a wide range of social issues.¹

Another expression of the urgency of addressing poverty is reflected in the priority policy status accorded poverty since 1994 in South Africa's post-Apartheid government (African National Congress 1994). Indeed poverty has consistently remained as a policy priority since that time (Everatt 2003; Hindson 2003; Wilson 2005). In the light of this priority policy status and the immediacy of daily encounters with poverty, what might be surprising is that the most recent studies of poverty have shown that while the severity of poverty may not have deteriorated since 1994, more people can be classified as poor than ever before (Bhorat, Poswell, and Naidoo 2004; Meth and Dias 2004; United Nations Development Programme 2003; Carter and May 2001; Hoogeveen and Ozler 2004; Agüero, Carter, and May 2005). The estimated growth in those considered poor has increased from 20.2 million in 1995 to 21.9 million in 2002 (United Nations Development Programme 2003, 41). While I have no intention of entering the furious debate these findings have provoked between those in government and researchers in the field, these findings and the level of debate alert us to the continuing importance of addressing the issue of poverty. Given the socially unacceptable levels of suffering that remain stubbornly high, there is a good argument to be made for creative thinking on the issues.

¹ Recent examples of such work include poverty and: labour (Bhorat and Leibbrandt 1998; Leibbrandt and Woolard 2001; Leibbrandt, Bhorat, and Woolard 2001); gender (Budlender 2001); land access (Durand-Lasserve and Royston 2002); social policy (May 2004; Maitra and Ray 2003); formal politics (Everatt 2003; Ali, Thorbecke, and Shimelis 2000; Zegeye and Maxted 2002; Barberton, Blake, and Kotzé 1998); economic policy (Bracking 2004; Fosu 2004; Green 1998; Luiz 2002; May 2003; Bratton and Mattes 2003); infrastructure and urban development (Beall, Crankshaw, and Parnell 2000b; Abrahams and Goldblatt 1997; Beall, Crankshaw, and Parnell 2000a; Parnell and Mosdell 2003; Bouillon 2002b; Rogerson and May 1997; Rogerson 2001); vulnerability (Carter and May 2001; Aliber 2003; Roberts 2000) and inequality (Pillay 1996; Whiteford, Posel, and Kelatwang 1995; Terreblanche 2002) as well as how to monitor and measure these relationships (Qizilbash 2002; Ngwane, Yadavalli, and Steffens 2001; May et al. 2000; Scott 2002).

The diversity of daily encounters, poverty research and policy work in South Africa raises the questions of: what does it mean to 'see' poverty? How is poverty 'seen'? Why are some ways of 'seeing' poverty more authoritative than others? It is these questions that this thesis will begin to address. The ability to 'see' poverty is, in turn, closely related to what is to be done about reducing poverty. Inevitably, what is to be done about poverty is expressed in some way through policies of the state at different levels. There is often a close link between poverty research and development policies but, more directly, how poverty is spoken of also shapes policies (Bebbington 2005; Hickey 2005; Hossain 2005).

The interweaving of understandings of poverty and the formation of the liberal state has a long history (cf. Dean 1991; Himmelfarb 1984). Henry Mayhew's (1971) survey of the poverty of London's street-workers in 1849-50, Charles Booth's (1902) poverty survey (1886-1903) in London, and Seebohm Rowntree's (1910) poverty study in York in 1901 are all cited as seminal events in the history of poverty research (Kanbur and Squire 1999). That such parochial studies during a particular period of England's process of industrialisation and urbanisation should be so influential over time and space is remarkable (Seers 1976). But, this is perhaps partly explained by the conjunction between these poverty studies and changes in the nature of knowledge (Novak 1995) and how this knowledge was able to be used in the practice of modern governments (Dean 1992; Walters 1994; Miller and Rose 1990). Thus, Lucinda Platt (2003) argues that these three studies were part of, and informed by, processes such as the changes in the meaning of numbers and the emergence of statistics as means of governing by the state.

Within the context of South Africa's recent political struggles and transitions, it is perhaps inevitable that the state and politics more generally looms large in authoritative accounts of poverty. I agree with Francis Wilson and Mamphela

Ramphele's (1989) simple, but powerful claim, that poverty is 'profoundly political'. South Africa's turbulent political history has saturated many aspects of everyday life with politics and issues of poverty are no different in this respect. Faced with the evidence of sustained high rates of poverty, researchers in South Africa have tended to renew their efforts to achieve greater levels of accuracy in the definition of poverty to ease the movement of knowledge about poverty into policy and to be able to target policy making processes more successfully.² While their efforts have led to many new insights into poverty and policy-making processes, my concerns here are different.

In this highly politically charged atmosphere and concern with politics I want to make, what might be considered, a surprising claim. My claim is that the power relations that are constitutive of the understanding of poverty *itself* have remained beyond debate – obscured, unacknowledged and unexplored – and following from this claim, that this has particular effects for poor people and policy makers.

Certainly, researchers, academics and activists working around poverty issues in southern Africa are aware of the dangers of de-politicising poverty. These dangers arise from relying on overly narrow, technically-driven accounts of poverty alleviation, thoroughly analysed by James Ferguson (1990) in his account of development politics in Lesotho. Although the prevention of the erasure of politics from poverty alleviation and development practice through such technicist accounts requires constant vigilance, this is not the politics to which I want to draw attention. Rather my concern is with how information and the 'facts' of poverty can be claimed and stated. Who is able to make 'truthful' and legitimate claims? What can be stated?

² This process has not been limited to South Africa and for an international perspective see (Piron and Evans 2004; Øyen 1996; Ruggeri Laderchi, Saith, and Stewart 2003; Wilson, Kanji, and Braathen 2001).

Indeed it is specifically those researchers and academics working within what is termed 'Poverty Studies' that I wish to focus on as one of the most important sites in which poverty is 'seen' and 'talked' about and where dominant understandings of poverty are 'produced'. By Poverty Studies, I refer to those attempts to deal with issues of hardship and suffering that start from an assumption that different definitions of poverty represent the truth and that the research task is to measure, describe or record it in more or less accurate ways.³ I therefore look to Poverty Studies as one of the most important sites in which progress in understanding hardship and suffering is co-ordinated, evaluated and disseminated, and how poverty and politics are made to interrelate.

1.1 Making poverty 'visible' and 'sayable'

The insight that power is productive and holds together what is 'visible' and what is 'sayable' is traced back to Michel Foucault (1990 [1988]; 1991; 1991 [1977]). Claims to the 'truth' are bound up with the power to label and categorise and to pronounce on these, just as much as they are with the ability to 'see' poverty (Kendall and Wickham 1999). In the light of the statistics above depicting alarming levels of 'chronic poverty' in South Africa (Aliber 2003), my intention is to query what is 'visible' and 'sayable' about poverty and more specifically urban poverty. I will argue that urban poverty offers a useful lens through which to consider the ways in which poverty and economic growth are discursively bound together by researchers and policy makers in Durban and many other cities. The intention of this study is to disrupt the relationship of power that holds what is 'visible' and 'sayable' together. In addition to the questions raised above, I pose the questions of: what is not visible? Whose voices are silenced? What lens is used to 'filter' what we see? Which concepts are used to shape what we can state

³ I understand 'Poverty Studies' to cross a number of formal disciplinary boundaries and includes, but is not limited to, contributions from economists, sociologists, geographers, anthropologists and scholars working in development studies.

about poverty? In posing these questions I focus in on the relationship between poor people's economic activities and economic growth, from the perspective of poverty studies.

As noted above, the concept of poverty is informed by a range of activities that include, but are not limited to, daily experiences, poverty research and policy formulation. Equally complex to comprehend is the concept of economic growth and how it occurs. It follows that the relationship between poverty and economic growth is neither simple nor static (although it is often presented in the popular press as if it is so (cf. The Economist 2006)).

That the understanding of the relationship between poor people's economic activities and economic growth is unduly narrow, while each of these concepts is so complex, suggests the need for further investigation. In this respect, I chose to approach the topic in three different ways – an analysis of the processes of *defining* poverty, an analysis of dominant *theories* of poverty and an analysis of institutional poverty *practices* at the level of the local state. This approach, taking three different perspectives from different 'sites' in the process of poverty studies, is intended to be disruptive of dominant understandings of poverty. In addition, within each of the three perspectives I continually seek to disrupt the 'obviousness' of poverty. I looked for opportunities to interrupt the taken-for-granted, to unsettle dominant terms and pose questions against the grain in order to shift what is 'visible' and 'sayable' about poor people's economic activities in relation to economic growth.

I do this by considering the processes of defining and theorising poverty in South Africa more generally, as well as the politics of poverty policy making in the city of Durban. The analysis of the broader processes is thus complemented by a focus on Durban. I draw on semi-structured interviews with lead researchers and/or project managers of all the five national studies of poverty in South Africa

in Chapter Two. Chapters Four and Five draw on interviews with people involved in urban development, economic development and poverty reduction in Durban. Those interviewed included municipal officials, former-municipal officials, academics, and consultants involved in research, policy formulation and the implementation of programmes and projects within the city. Chapter Four also introduces Inanda Newtown Section C-Extension by way of drawing on data generated through a participatory timeline exercise with long-standing residents.⁴ Inanda Newtown Section C-Extension is a northern, poor peripheral area in the city of Durban and a site of fieldwork for the analysis of Chapter Seven. Chapter Seven thus builds on both quantitative and qualitative research data generated in C-Extension with the intent of shifting the dominant understanding of economic growth. Chapters Two, Three, Four and Five are all also informed by documentary analysis.

To anticipate some of the conclusions, I note how the *inability* to ‘see’ and make ‘sayable’ the ways in which poor people’s economic activities might contribute to economic growth has certain effects for poor people and policy makers. In a context where economic growth is understood as a means to uplift the entire society, it is crucially important to consider how the poorest might be considered to be related to economic growth. There is a long-standing (and historically racially discriminatory) assumption behind urban policy in South Africa, which is that the level of infrastructural investment and provision of amenities should be pegged against the perceived importance of the role of the social group/racial group and its contribution to the economy or ‘society’ (occasionally conflated) (Parnell 1997, 895). In terms of this logic, a perception of a low contribution to society justifies a lower provision of public resources. This effect points to one of the concerns that animate my overall research question. The concern is that the exclusionary discourse of Apartheid that systematically dispossessed Black people is being replaced by an exclusionary discourse of economic growth that is

⁴ For ease of reading and following the vernacular, I will refer to the area as ‘C-Extension’.

concentrating and centralising the ‘commonwealth’ of the city in new ways. The distribution of investment in infrastructure in particular, is skewed towards the areas of historic privilege. In this regard, Khan and Lootvoet (2002, 309) note that the “question of how infrastructure can be made developmental remains unresolved in the case of Durban.” As Jo Beall et al. (2000b, 836) suggest, constant vigilance is required so that institutional forms of racism do not find new forms in a post-Apartheid South Africa.

In response to these concerns, I look for ways to disrupt the dominant understanding of the economy and economic growth in accounts of poverty. Drawing primarily on the work of JK Gibson-Graham (1996), I set out to open the understanding of ‘economy’ by shifting attention from concerns with outputs and profitability to *economic activities*. This brings a diverse range of economic activities, including those of poor people, into view as part of the economy. Gibson-Graham have suggested that binary understandings of the economy (such as capitalist/noncapitalist) work to secure particular understandings of the activities which can be considered generative and propulsive. They seek to disrupt the dominance of these binary understandings so that no economic activities are assumed to be necessarily dominant. This analysis starts to dislodge the coincidence of economic growth with those parts of the economy and city considered to be formal/capitalist and allows for a wider range of activities to be thought of as being able to contribute to economic growth.

1.2 Organisation of the thesis

The thesis begins by examining the ways in which what is ‘sayable’ and ‘visible’ about the relationship between poverty and economic growth is held together at three different ‘sites’ and thus outlines how poor people's economic activities are considered by researchers and policy makers as unable to contribute to economic

growth. The notion of 'diverse economies' is offered as a means of disrupting how the 'visible' and 'sayable' are held together. Within the space that is opened up, the economic activities of C-Extension are used to show how poor people's economic activities can be written into a broader story of economic growth in Durban.

In Chapter Two, I suggest that definitions within discourses of poverty in South African poverty studies since 1980 have always been incomplete and partial. This partiality, I contend, is inevitable because any definition is generated in contexts, which are complex, contingent, and uncertain. The obviousness of this point is perhaps why the effects of such partiality are so frequently overlooked. I draw attention to the ways in which definitions of poverty are also representations of poverty and how this implicates poverty scholars and activists in (re)producing particular understandings of poverty. When definitions of poverty are considered as representations with effects in the world rather than immutable facts, this helps to imagine the possibility of representing poverty in ways that might be more advantageous to poor people.

In Chapter Three, I consider one of the effects of partial discourses of poverty by exploring one of the fundamental relationships in poverty discourses – the relationship between poverty and economic growth. I examine the question of how poor people's economic activities are thought to contribute to economic growth. The answer to this question in the existing Anglo-poverty literature is that poor people are generally *not* considered to be able to contribute to economic growth. I question how three dominant theories of poverty drawn upon in South African poverty research represent poor people's economic activities, economic growth, and the relationship between the two. I argue that all three theories imagine a separation between poor people's economic activities and economic growth, and that this leads to poverty reduction strategies that nevertheless constrain attempts to reduce poverty.

In Chapter Four, I consider how poverty came to be a policy priority for the eThekweni Municipality in Durban, South Africa in the post-Apartheid period. I suggest that how poverty is understood as a priority cannot be divorced from a series of institutional activities. The concept of poverty was inscribed at the centre of understandings of a series of overlapping social and political processes that spilt over from the Apartheid era. As a result, there were many aspects of urban policy making which took poverty as a frame of reference. These urban processes were also the product of local histories and power relations which have shaped and inflected the understanding and practice of poverty policies in Durban.

In Chapter Five, I reflect on how the institutional practices of eThekweni Municipality were complementary to broader processes of defining and theorising about poverty, since these practices operationalised the inability of theories to see poor people's economic activities as contributing to economic growth. I draw together a range of factors including the understanding of the concept of economic growth and local political processes to assess Durban's current long-term development policy in terms of its strategies for poverty reduction and their impacts in the city.

The first part of the thesis, then, establishes that the way in which the relationship between poverty and economic growth is made 'visible' and 'sayable' has the inhibiting effect that poor people's economic activities are considered unable to contribute to economic growth. The second part of the thesis draws on a wider literature that sets out to shift the scholarly imagination of the economy and economic growth. The aim is to offer a richer, progressive view of the economy and economic growth for poverty studies to draw on. Thus, in Chapter Six, I explore the usefulness of the notion of 'diverse economies' as developed by JK Gibson-Graham as a means of opening up an understanding of the economy

which embraces the activities of poor people. I also show how the notion of diverse economies can itself be extended to unsettle the perceived dominance of the (formal) capitalist aspect of the economy. This, then, provides the basis for thinking how processes associated with economic growth might be found throughout a diverse economy.

Finally, in Chapter Seven, I draw on field research in a poor area to the north of Durban – C-Extension – to illustrate how poor people's economic activities can be written into the story of economic growth and thus potentially shift the focus of initiatives to address poverty. I examine the different economic activities of poor people to show how they are a constitutive component of the economy and how, through the diverse interdependencies, overlaps and interconnections which shape these activities, they can be understood to contribute to economic growth. This is in contrast to current dominant understandings of poor people's economic activities that are considered to be marginalised, survivalist and trapped within the fragmented geography of South Africa's racially divided cities. I conclude the thesis by reflecting on the implications of this richer view in the hope that it might shift the dominant view of the economy and economic growth in poverty research (for poor people and the city of Durban) and, in so doing, open new possibilities for realising a socially just city.

The thesis suggests that if one of the main purposes of economic growth is to reduce poverty, there is a need to shift the current dominant understandings of poverty in research and policy making and make it more responsive to poor people. The argument is that poverty research and policy making conceives of the economy and economic growth in specific terms, such as being coextensive with the formal and/or capitalist economy. I show that because of a range of assumptions about the economy and the subject positions related to these assumptions on the part of poverty researchers and policy makers, attempts to reduce poverty are channelled into a particular set of strategies that ultimately

conserve the existing social power relations between the non-poor and the poor – even if they result in material improvements to some poor people’s quality of life. Rather than understand the economy in these terms, this thesis sets out to explore how an economy and economic growth might be understood from the perspective of those people considered poor.

Definitions of poverty and their effects

Definitions of poverty are typically presented as inclusive and coherent and are often, therefore, perceived as universally applicable. One of their most important purposes is to convince and persuade all relevant interests that the definition expresses a complete, accurate and truthful description of what poverty is. Definitions express the core and trajectory of different approaches to poverty. Consequently, definitions are often used as shorthand for wider approaches to poverty. For these reasons, definitions – although only a component of wider discourses and practices of poverty – are powerful and important. Cognisant of the power that emerges from claims to inclusivity and truth, I aim to explore how definitions of poverty are always only partial and how this partiality has effects in relation to poor people.

I argue that different definitions can *always* only make *certain* ‘facts’ and processes of poverty ‘visible’ and ‘sayable’ and are therefore always incomplete and partial. Many others have pointed to the ways in which the definitions of poverty are partial (for recent overviews see Øyen 2005; Ruggeri Laderchi, Saith, and Stewart 2003). Solutions are usually pursued along three main streams. The first stream is to seek greater accuracy of definitions of poverty. Else Øyen (1996, 6) observes that these endeavours are based on the fallacious assumption that the “more we know about poverty the easier it will be to alleviate it”. This, in turn, is based on an assumption that our knowledge is partial because this is the nature of the endless process of knowledge production. The second stream is to consider any single definition of poverty as partial because poverty is a complex, multi-dimensional phenomenon. The solution to this partiality is to consider different definitions and approaches to poverty as complementary (cf. Olsen

2004). The third relates to the inability to translate definitions and concepts of research into effective policy. In other words, the partiality emerges because of the inability of concepts and definitions to ‘carry-over’ in their entirety to research or policy. Consider Julian May’s (2003, 1) reflection after reviewing recent Poverty Reduction Strategy Processes that “despite periodic declarations about reaching consensus, finding the appropriate instrument for the measurement of persistent poverty that is then employed for policy formulation continues to dog researchers and those using research alike.” I endorse the attempts in these three streams to grapple with the complexity of poverty, but it is not the specific ways in which different definitions of poverty are partial that I want to discuss. I am also far from criticising the need for greater knowledge about poverty. I argue rather, that even as the stock of ‘poverty knowledge’ increases and our ability to integrate different approaches increases, definitions of poverty will always be partial.

The reason definitions will always be partial is because the process of generating them occurs in contexts that are always contingent, complex and uncertain and can therefore only be comprehended partially. This is an obvious point, but not always acknowledged. Critics are correct to argue that partial knowledge is unavoidable and, in the meantime, something must be done to alleviate the misery and deprivation of the poor (Streeten 1998). But my purpose in drawing attention to the partiality of definitions of poverty is to focus on the *effects* of this partiality, rather than to judge the partiality or to propose that it could ever be eliminated. I aim to show that the effects of partiality go beyond – or, more precisely, come before – the ways in which definitions are commonly presented as complete and truthful descriptions (Hastings 1998; Mawdsley and Rigg 2002) and have consequences for poverty reduction policies and ultimately, poor people.

I intend to develop this argument by highlighting the ways in which the different definitions of poverty in five national studies in South Africa are contingent on

factors such as the contexts in which they were generated, wider political processes and the motivations of the researchers themselves. This list will be enriched as the different definitions of poverty are considered. The purpose of drawing attention to the contingency of the definitions is to signal the ways in which they are partial and to identify which factors, out of the welter of social processes, were prioritised and responded to in each case. The partiality in turn, means that only certain poverty ‘facts’ and processes become ‘visible’ and ‘sayable’ in any given study. Following Foucault (1991 [1977]), what is ‘visible’ and ‘sayable’ is bound together by power and, in the following chapters, I will suggest that the power that holds what is ‘visible’ and ‘sayable’ together in poverty studies has effects for poor people. I believe that the neglect of these effects has had important consequences for lowering the horizon on creative responses to improving the quality of life of those considered to be in poverty. As the argument develops it will become clear that the economy and economic growth have become increasingly important to poverty reduction and, in the following chapter, I explore in more detail the specific relationship between poor people's economic activities and economic growth in poverty studies. For now, I wish to establish that definitions are historically and politically contingent and do indeed have effects. To do this, I will point to how definitions have the effect of authorising specific voices and silencing others, as well as legitimating certain actions and not others.

I begin with an overview of the five national poverty studies. The purpose of the overview is to locate the studies within particular moments in a complex period of South Africa's history. As studies of poverty in the late 1990s have already shown, responses to poverty in southern Africa are deeply influenced by both local and international processes (cf. Wilson, Kanji, and Braathen 2001b). The chapter will then proceed through the five studies to illuminate how the definitions of poverty that have emerged are each in their own way contingent and therefore always partial. I suggest ways in which this partiality has effects for

the poor. This will open up the possibility of exploring a specific effect within broader theories of poverty in the following chapter.

2.1 An overview of poverty studies in South Africa between 1980 and 2000

This overview serves to introduce the five studies of poverty that have been undertaken since 1980 and their relationship to each other as these are presented in the texts and clarified in interviews with the lead authors (May 1998a, 2000; Wilson 1996a; Wilson and Horner 1996). I propose that 1980 is a useful starting point because it marks an important discontinuity in South African poverty research and it is the point at which the notion of 'South African poverty' first emerges. I will return to this claim later and for now keep the analysis at the level of an overview.

The five studies have been selected because they have all been framed at a 'national' South African level.⁵ I must acknowledge that, in addition to the five studies I have chosen, countless other studies have been undertaken. These include censuses, income and expenditure surveys, qualitative and ethnographic studies and a range of activities such as those associated with non-governmental organisations. Some of these, such as censuses and household surveys, have been framed at a national level.⁶ However, despite sharing a national compass, these censuses and household surveys have not necessarily started from an assumption about the nature of poverty. The five studies I have chosen have all started from

⁵ The label 'national' has been highly contested in South Africa as the Apartheid government attempted to excise 'independent' ethnic homelands from South Africa. I use the term 'national' to refer to the entire area of South Africa as realised in 1994.

⁶ For a review of the October Household Survey and the Income and Expenditure Survey of 1995 conducted by Statistics South Africa, see Budlender (1999).

an assumption concerning the nature of poverty and have been the most ‘productive’ in the sense of having generated authoritative (and dominant) definitions of poverty. The authority and dominance stems both from the national scope of the research exercises, the collective intellectual weight they mustered and the assumed scientific objectivity and neutrality that affords universal acceptance.

Since South Africa’s transition to a non-racial democracy in 1994, the 1980s came to be known as the period of ‘late-Apartheid’ (see Figure 1 for a schematic timescale). In this period, during which “the monster [of the Apartheid State and system] was still alive and kicking all too hard” (Wilson and Ramphela 1989, ix), the South African Labour and Development Research Unit (SALDRU)⁷ initiated a major poverty study known as the *Second Carnegie Inquiry into Poverty in Southern Africa*.⁸ The research described and established the ‘facts’ of the impoverishing effects of Apartheid, primarily on Black⁹ people, and the conference to close the research process drew an acrimonious rebuke from the Apartheid regime.¹⁰ A book, summarizing the findings of the research, was published in 1989, entitled *Uprooting Poverty: The South African Challenge* (Wilson and Ramphela 1989). The analysis of this study in this chapter focuses on this book – as a synthesis of the research and conference – rather than the conference papers themselves.¹¹

⁷ SALDRU is a non-governmental organisation based at the University of Cape Town.

⁸ I will refer to this study as the Carnegie Inquiry and to the first *Carnegie Commission on the Poor White problem in South Africa* by its full title for ease of reference and differentiation.

⁹ The terms Black, White, Indian and Coloured reflect the racial categorisations of Apartheid. I do not agree with these categorisations. Their usage here reflects the historical usage and the present and foreseeable need for reparations in accordance with these categorisations. My hope is that they will lose their potency in the future.

¹⁰ Francis Wilson, Interview 22/07/04.

¹¹ See the Methodological Appendix for a motivation for this choice.

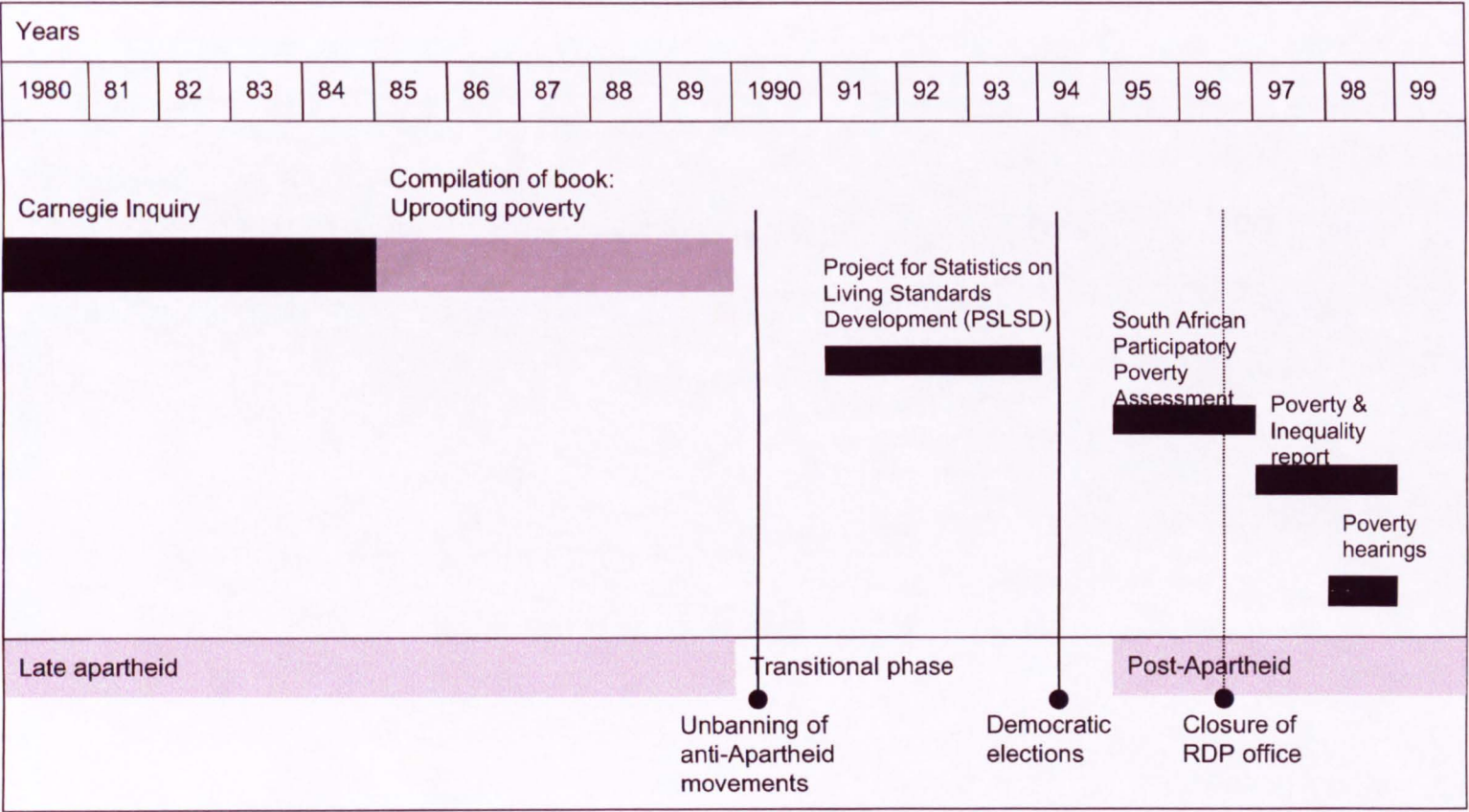


Figure 1. Schematic timescale of poverty research and political periodisation

The unbanning of the African National Congress (ANC) and other anti-Apartheid organisations marked the beginning of what has come to be termed, a 'transitional phase' of political systems and government. The formal handover of State power occurred during this phase. This transitional phase provoked a flurry of research to inform new policies befitting a new non-racial, non-sexist, and democratic South African society.

The Carnegie Inquiry provided substantial documentation of the conditions of poverty in South Africa but it had not commissioned any major surveys that could inform key policy-making processes. Non-racial representative data, such as the demography and location of the poor, was urgently required. The Project for Statistics on Living Standards Development (PSLSD) was the first, nationally representative Living Standards Measurement Survey of about 9000 households.¹² This study was again managed by SALDRU and in 1995 an enormous data set was publicly released entitled *South Africans: Rich and Poor* (SALDRU 1995).

Following South Africa's acclaimed political transition in 1994 and shortly after the completion of the PSLSD, a further need was identified to complement the *quantitative* data of the PSLSD with more *qualitative* data (May and Norton 1997). A participatory research project known as the South African Participatory Poverty Appraisal (SA-PPA) was completed in 1996 and published as a report entitled *Experience and Perceptions of Poverty in South Africa* (May 1998a). The study is recognized by Robert Chambers as succeeding in assessing "the multi-dimensional experience of being poor and the perception of 'the poor'

¹² This study is popularly known as the 'SALDRU Survey'. However, I will refer to the study by its official title and acronym – PSLSD. This is to reflect the intent that the researchers identified with the study through their choice of title and to differentiate the study from the many other surveys that have been undertaken by SALDRU.

towards the causes and relief of their poverty” (in foreword May 1998a, 1).

Following the SA-PPA, two important poverty initiatives ended within months of each other in 1998. The first to conclude was an initiative from a coalition of civil society organizations known as the *National Speak-out on Poverty Hearings*.¹³ From the Poverty Hearings, a report entitled *The People’s Voices* was published. This documented the “dismal and ongoing drudgery, hunger and struggle ... [but] also provided ample evidence of the ingenuity and creativity of people who survive against the odds” and highlighted “ongoing poor service and delivery by government” (Budlender 1998, 1).

The second initiative concluded a little later. Known as the Poverty and Inequality Report (May 1998b) it built on first the PSLSD, and then the SA-PPA. It was essentially a review of how the post-Apartheid government’s policies were impacting on poverty and what actions could be taken to improve the effectiveness of policies. The report was later edited into a book entitled *Poverty and Inequality in South Africa. Meeting the Challenge* (May 2000). This is the source for the analysis to follow. Although the research drew on new understandings of poverty such as capabilities, entitlements and assets, its impact seems to have been more as providing an overview of poverty¹⁴ rather than having an immediate impact on the activities of government.¹⁵

Despite the implied linearity of Figure 1 and this overview, I am concerned to show that there is no simple unfolding of definitions of poverty. Instead, definitions merge into one another and are characterised as much by discontinuities in their meanings and effects, as continuities. While the timing and sequencing of the studies is an issue, to proceed to present the five studies

¹³ Henceforth referred to as the Poverty Hearings.

¹⁴ Sue Parnell, Interview 23/07/04.

¹⁵ Julian May, Interview 13/08/04.

sequentially is not to frame my analysis solely in terms of their temporalities. I will now consider each of the five studies in terms of their stated definition of poverty, how the research that generated or deployed particular definitions was contingent on a range of historical and political factors, what they made 'visible' and 'sayable' about poverty, and what some of the effects were for poor people.

2.2 National poverty studies in South Africa

2.2.1 Second Carnegie Inquiry into poverty in southern Africa

Analysing the definitions of poverty in the Carnegie Inquiry is interesting in the context of my overall argument, because the researchers initially publicly presented the definition of poverty as something *not* to be taken as complete and certain.¹⁶ Established 'scientific' definitions of poverty¹⁷ were deliberately eschewed in favour of a definition that was deliberately kept 'open' and uncertain so that:

“...research workers were not provided with a nice clean definition of poverty that they could measure (and compare with other places and other times), but were told instead to go out into the highways and byways of the country to meet people who endured poverty and those who lived or worked with them and to listen to what they, from their own experience understood poverty to mean” (Wilson and Ramphele 1989, 14).

¹⁶ Morag Bell (2000; 2002) points insightfully to the uncertainties engendered by the Carnegie Inquiry. She discusses how attempts to resolve the anxieties surrounding these uncertainties were made. Here I intend to develop these insights in another direction by pointing to how this uncertainty was *productive* of a specific definition of poverty.

¹⁷ By the early 1980s, income theories of poverty were well established and were being applied internationally (see for example, Edwards and Horner 1974; Galbraith 1979). Basic-needs theories of poverty had gained currency (for example, Streeten et al. 1981; ILO 1977) and Amartya Sen's (1976; 1977; 1981) ideas of assets and capabilities were filtering into the circuits of poverty research.

While the dominant poverty theories certainly inform the analysis in the book that summarizes the Carnegie Inquiry research,¹⁸ the analysis is built on the undefined ‘lived experience’ of the poor in South Africa (Wilson and Ramphele 1989).

My contention is that the Carnegie Inquiry tended to downplay established definitions of poverty because of the politically astute recognition that these definitions were bound up with expert (White) voices and particular racial political strategies. If poverty was to ‘matter’ in new ways, it first needed to be *de-defined*. In this way, the Carnegie Inquiry is different to the subsequent studies considered here.

The motivation for the Carnegie Inquiry

The motivation for an Inquiry¹⁹ lay in the reflections of Francis Wilson, and others, that the issue of poverty – specifically of the majority Black population – had very little currency amongst those with political and economic power at the time. He commented on the theme of ‘making poverty matter’ that I will return to in subsequent studies, insisting that:

“...people were not conscious of poverty – when I say people, those who were rich, were not conscious of poverty.... [So] I would say that what the Carnegie Inquiry did do was to

¹⁸ There is an initial reference to the poverty lines that emerge from an income theory of poverty (pages 16-21) and minor references to the notion of assets and capabilities (for example page 354). Arguably, basic-needs theory provides a structure for some of the chapters (Chapters 4-7).

¹⁹ The South African government had the power to appoint ad hoc committees with limited scope, powers and duration to investigate issues of socio-political importance. This device allowed for issues to be conducted at arms-length from the state and for the state to select amongst the conclusions and recommendations. By styling the research as an ‘inquiry’, then, the Carnegie Inquiry borrowed on a historically developed aura of national importance and political independence for the consequent investigations and concluding recommendations.

contribute to a growing consciousness of poverty as an issue. Now you've got to be very careful in this because you hardly need to explain to poor people that they are poor for them to be conscious about it. But in terms of political discourse, let's put it that way. In terms of public political discourse..."²⁰

And so:

"... we were needing to persuade people, I mean at one level, *Uprooting poverty* is trying to be a scientific report at another level it is a crusading document and part of doing a crusading document is to persuade people that poverty actually matters."²¹

The desire to make poverty 'visible' in a non-racial way had existed for a long time. Although there is a substantial history of poverty studies in South Africa prior to 1980 (Wilson 1996b), studies focused either on the local scale or a particular racial group, at times on both (for useful bibliographies see Edwards and Horner 1974; Wentzel 1982).²² However, these studies were either too small or too locked into the racial schema of Apartheid to be able to redefine poverty in a significant way.²³ Various people had mooted the idea of a second 'Carnegie Corporation type of Inquiry' from time to time as a possible way of overcoming these limitations. This was because in the 1930s the Carnegie Corporation had supported a racially exclusive Inquiry known as the *Carnegie Commission on the Poor White Problem in South Africa*. The results of this Inquiry had fed into an array of racially biased social policies that had secured dramatic improvements for 'poor Whites' (Fleisch 1995). That said, the environment had not yet proven conducive for a similar venture.

²⁰ Francis Wilson, Interview 21/07/04.

²¹ Francis Wilson, Interview 23/07/04.

²² The Apartheid State and White employers used the studies primarily to determine and justify minimum wage and public housing rental levels. But, by the 1970s the growing Black Trades Union movement was beginning to use poverty research of their own to contest the research results of the State and employers (Maasdorp and Humphreys 1975).

²³ This is not to suggest that these studies were not powerful or insightful (see for example, Wilsworth 1980).

The realisation and success of the Carnegie Inquiry was contingent on many factors and here I highlight three: the financial and philanthropic interest of the Carnegie Corporation, SALDRU's institutional location and Francis Wilson's personal history which appears to have facilitated the Carnegie Corporation and SALDRU engaging in a joint venture. Firstly, the Carnegie Corporation had historically provided significant funds for educational initiatives in South Africa until it withdrew from the country in moral support of the anti-Apartheid movement in the 1960s. But by the late 1970s it was quietly investigating the possibilities of renewing its support for the anti-Apartheid movement.²⁴ Secondly, SALDRU was dependent on grant funding for its financial survival and was always looking for ways to achieve financial security.²⁵ SALDRU's reputation for forward-thinking and institutional association with the University of Cape Town also meant that it could be regarded as a legitimate organisation for the Carnegie Corporation to contract with. Thirdly, I argue, Francis Wilson's personal history is important. For example, Francis Wilson recalled an introduction to Alan Pifer (President of the Carnegie Corporation)²⁶ as a child when his parents were working as anthropologists at Lovedale College²⁷ in the Eastern Cape.²⁸ Growing up in the milieu of Lovedale College was also important in providing Francis Wilson with the basis for many personal and scholarly relationships with leading Black intellectuals in the anti-Apartheid movement. The relationships were later strengthened through a range of familial interactions and his own critical scholarly work on southern African labour

²⁴ Bell (2000, 495) and Francis Wilson, Interview 21/07/04.

²⁵ Dudley Horner, Interview 22/07/04.

²⁶ Alan Pifer had become the President of the Carnegie Corporation in 1967 and remained so until 1982 (Bell 2000).

²⁷ Lovedale College was one of the few respected schools available for Black people because it offered an education beyond that provided by the Apartheid State. It counts amongst its alumni: Nelson Mandela, JK Mathews, Thabo Mbeki and Steven Biko. The institution closed down voluntarily in protest against being forced to implement the racist Bantu Education Act of 1954.

²⁸ Interview 21/07/04.

migrancy associated with the White-owned South African mining industry. These relationships provided credibility and access to important intellectuals and activists of the anti-Apartheid struggle of the late 1970s and uniquely provided the legitimacy for an Inquiry. Thus, as Francis Wilson noted when he started motivating for an Inquiry, the intellectuals and activists that he networked with:

“...were very responsive to the call. They knew who I was. We understood the importance of research and the political power of it so that everybody was very supportive. But, it needed a lot of quiet work, moving around and talking to people”.²⁹

The political context

The ‘quiet work’ that Francis Wilson refers to in the quote above continued for two years before the Carnegie Inquiry was publicly announced and was “absolutely critical ... I mean the [Carnegie Inquiry] would have been dead without those two years”.³⁰ The reason for this sensitive approach in establishing an Inquiry lies in the hostile political environment of the late-Apartheid period. If an Inquiry was to proceed, the researchers had to remain free from detention or banning orders, so that the research would be allowed to proceed. The politically hostile environment was a constant feature of the Carnegie Inquiry. Dudley Horner, deputy director of SALDRU at the time of the Carnegie Inquiry, remarked that:

“...the context was extremely difficult – it was hard working on the Carnegie [Inquiry]. The political climate was very hostile. The State itself was doing all sorts of surveys. So you often went into areas where the army had been carrying out surveys. Of course people were very suspicious...”.³¹

This was because by the 1980s the Apartheid state had become increasingly internationally isolated and faced mounting internal and external opposition.

²⁹ Francis Wilson, Interview 21/07/04.

³⁰ Francis Wilson, Interview 21/07/04.

³¹ Interview 22/07/04.

The state's response was the ever more violent suppression of critical voices. This was matched by an intensification of the liberation struggle against Apartheid by the anti-Apartheid movements. This left little space for equivocation and within this environment any new initiatives attracted suspicion from both sides engaged in this conflict.

The hostile political context affected the research stages of the Carnegie Inquiry differently. While the two-year period of building support could best be characterised as a period of 'under cover' activities, this contrasts diametrically with the implementation period of the project.

Statecraft

It is perhaps paradoxical that within the secretive (often necessarily so) environment of the anti-Apartheid movements and the deliberate attempts by the state to suppress information and groups from networking, the Carnegie Inquiry insightfully and deliberately chose not to define poverty. Instead, it successfully deployed an expansive political strategy of 'openness' and uncertainty.

This 'open' definition of poverty meant that the research was:

"...open to everybody. We didn't have to define poverty in that context because politically everybody knew what poverty meant. I mean there had been the poor White problem. So, paradoxically, while we were being very open about our new definition of poverty, we were talking about a concept that everybody understood. Particularly, the regime in power. [But]... we were dealing publicly with a political concept that everybody understood and this gave us protection because, uncovering poverty was like, motherhood and apple pie. I mean this was a good thing to be doing."³²

And Francis Wilson comments that to continue with the Carnegie Inquiry:

³² Francis Wilson, Interview 21/07/04.

“...part of our protective mechanism was to be totally open about everything. We also said to the Security Branch, if there is anything, let us know... [because] ...we knew that the [Security] Branch were around and we knew that they were itching to stop it, if they could. But it was difficult – we just didn’t give them the space to do it”.³³

Thus the strategy of ‘openness’ functioned as a means of absolving the research from any form of bias. The ‘uncertainty’ of the definition also had effects. For example the ‘scientific space’ of the university had to be opened to allow different, non-expert (Black) voices to be heard. It also had the advantage of positioning SALDRU as the mere co-ordinators of public opinion rather than directors of a critical social process. In this way, Francis Wilson notes the “centre of gravity” of the study was shifted towards Black people³⁴ – particularly those doing the research.³⁵ Among the achievements of the process, in the view of Francis Wilson, was the establishment of a broad network³⁶ of people addressing the issue and the conference held in Cape Town, which provided an opportunity for many of the recently unbanned members of the anti-Apartheid movement to be heard (Bell 2000).³⁷

The open and uncertain ‘lived experience’ definition of poverty located the truth about poverty in the voices of the poor, primarily Black people who did not have a (political) voice under Apartheid. This served to make the claims about poverty ‘true’ to the anti-Apartheid movements by allowing the voices of the (Black) poor

³³ Francis Wilson, Interview 21/07/04.

³⁴ An achievement of the research was that almost 25 per cent of the researchers were Black which was a significant improvement on any study done previously (Francis Wilson, Interview 21/07/04).

³⁵ Francis Wilson, Interview 21/07/04.

³⁶ The network that was created spanned twenty-two universities and a large number of agencies and organisations (Wilson and Ramphele 1989).

³⁷ The networks also extended into the future because on the strength of the work done on water issues in the Carnegie Inquiry, Francis Wilson was made Chairman of South Africa’s Water Commission – an appointment made by the new Minister of Water Affairs and Forestry in 1994 (Francis Wilson, Interview 21/07/04).

to catalogue the effects of Apartheid. The result was that the struggle against poverty melded into the struggle against Apartheid. Part of the struggle against Apartheid was to see South Africa as a single, non-racial country and therefore the researchers “were very conscious and very determined that [they] were going to see South Africa as a whole”.³⁸ But, lest this is understood as a voluntarily chosen position, it needs to be stressed how intimately related such views were to the anti-Apartheid struggle and how the desired alignment with the struggle against Apartheid confined their options to a narrow range of possibilities.

It was both politically and morally impossible for the Carnegie Inquiry to focus exclusively on ‘Black’ poverty. The notion of ‘seeing the whole’ was therefore a particular way of bringing ‘Black poverty’ into view which was thoroughly enmeshed in the researcher’s reading of the political environment, Francis Wilson’s intellectual interests in migrancy patterns, and the material effects of the discourses and practices of poverty. Francis Wilson remarked that through

“...my own training in labour economics and learning about the migrant labour system, I’d always seen this as a single economy. So I was very keen to have a vision of that. Which is why also, we didn’t want to have poverty just within the borders of South Africa. We wanted to include Lesotho and so on, because they were part of the picture”.³⁹

The understanding of the origins of poverty that was adopted by the study reinforced this tendency to ‘see the whole’. In the Carnegie Inquiry, the origins of poverty could be found in a process “that simultaneously produces wealth for some while impoverishing others” (Wilson and Ramphela 1989, 4). While the origins of poverty were traced to this simultaneous process, what made South Africa unique was that the Apartheid State was identified as actively shaping and skewing the circuitry of this simultaneous process. The Apartheid State emerged as a major cause of poverty because it exacerbated the original ‘equation’ in favour of the rich and notably in this case, the White rich. The focus on the state,

³⁸ Francis Wilson, Interview 21/07/04.

³⁹ Interview 21/07/04.

however, also relates to the process in another way. Because the state was considered all pervasive, this reinforced the Carnegie Inquiry's ability to discursively produce a sense of an integrated South Africa.

There was a very strong political view within the anti-Apartheid movement that any process or structure associated with the Apartheid state should be completely revolutionised and was beyond reform. However unpalatable, a minority of anti-Apartheid activists and intellectuals realised that the livelihoods of ordinary people were bound up with the system of Apartheid, along with those considered to have 'sold-out' to the anti-Apartheid struggle. Recognising this:

"the question then becomes how best to ease the process of transition so that those caught in the coils of a destructive system can move to a situation where their participation in a restructured economy is part of a process of enrichment for all Poverty is not simply a fact; it is also a process, and thus part of a system" (Wilson and Ramphele 1989, 349).

Without a view of 'the whole' the researchers would not have been able to pay attention to these nuances and still secure a perfect alignment between the struggle against poverty and the struggle against Apartheid, because the people within the anti-Apartheid movements would have been able to argue that the Carnegie Inquiry actually supported elements of the Apartheid regime. As Francis Wilson noted:

"Oh, we had to walk such a careful line here – about – talking about agricultural development in the rural areas – now you had been co-opted by the State, you see? And that was another reason why one had to look at this thing as a whole".⁴⁰

The material effect of all these interacting processes, statecraft and political alignments was to produce the first notion of 'South African poverty'. In this notion of South African poverty, 'Black poverty' was equal and visible in relation to 'White poverty' and made a growing sense of a unified South African society

⁴⁰ Interview 21/07/04.

knowable specifically through including everyone in processes of impoverishment and the production of wealth. The difference that all these interactions made becomes more evident when it is realised that the Carnegie Inquiry drew on the existing methodology of local poverty studies prevalent in South Africa at the time, but was able to transform these local studies into a notion of South African poverty. As such, South African poverty became an effective component of the arguments marshalled against Apartheid by the anti-Apartheid movement and more people became conscious of poverty.

As a result of including many more Black people in the Carnegie Inquiry, these and others had greater legitimacy and became authorised to speak about 'South African poverty'. More broadly, the definition of poverty as 'lived experience' legitimated poor people to identify themselves in the discourse at the same time as de-legitimising expert (White) voices and the Apartheid State locked in its racial approach and certainties of definitions. This is clearly demonstrated in authenticating the voice of rural, Black women as the 'poorest of the poor'. As a result of the emphasis on the structural factors for these researchers rural, Black women carried the greatest societal burden. Racist state policies, patriarchal gender relations and geographical peripheralisation on land of marginal quality meant rural, Black women had the most to endure. Contemporary South African poverty research has continued to orbit around this dominant figure.⁴¹ The Carnegie Inquiry had the intended consequence of equating race with poverty in South Africa. However, to the extent that this view supported, and was taken up by, the anti-apartheid movement, it came to be the dominant view of poverty. The unintended consequence was that the relationship between being black and being poor was configured in a way that has endured and informed broader political changes in South Africa. Without detracting from the miseries that the implementation of the Apartheid ideology wrought on Black people, the high levels of congruence has left little space for other understandings of poverty to

⁴¹ Sue Parnell, Interview 22/07/04.

emerge.⁴² I will return to this later in Chapter Four in a consideration of urban poverty in South Africa. The consequences of de-defining poverty in the Carnegie Inquiry thus reach far into the future and stand in stark contrast to subsequent research processes that sought to develop closely defined accounts of poverty, as I will show.

2.2.2 The Project for Statistics on Living Standards Development (PSLSD)

On the face of it, the PSLSD also presents no immediate definition of poverty. The title of the project implies that a definition relates to the improvement of 'living standards' but this seems somewhat vague and unspecified. This generality is confirmed by Francis Wilson (again Project Director) that in this case poverty was defined as:

“...anything that you can measure with a number... I think implicitly we tried to make it as comprehensive as Carnegie but were constrained by the fact that there are some things that you can't get number answers for.”⁴³

The absence of a clear definition of poverty suggests strategic similarities with the Carnegie Inquiry and Francis Wilson's observation above indicates that the 'open' definition of poverty as 'lived experience of being Black under Apartheid' simply continued through the PSLSD. But while the definition of poverty developed in the Carnegie Inquiry certainly informs the PSLSD, I argue that the absence of an immediate definition has more to do with a desire for neutrality than continuing to allow Black voices to be heard. I will show that this definition

⁴² It should be noted that within broader political identities since the Carnegie Inquiry, the process of particular racial groups self-defining as poor has served as a political strategy to highlight the impact of Apartheid.

⁴³ Francis Wilson, Interview 21/07/04.

was itself contingent on the changed political context, the researcher's statecraft and the influence of a research methodology developed at the World Bank. I will point out how this different definition allowed the new voices of policy-makers to be heard and silenced those community voices previously 'heard' during the Carnegie Inquiry. An account of poverty in economic terms came to be authorised as the most 'truthful' understanding.

The motivation

In early 1990, all the main anti-Apartheid organisations had, somewhat surprisingly, been un-banned. Although this made the end of Apartheid inevitable, it created great societal uncertainty. Within this broad uncertain milieu, I identify two crucial questions contextually important to the PSLSD. The first asked what new policies would need to be developed to realise the 'new South Africa'. The second queried how the transition to a non-racial democracy would be managed and negotiated. As I will show, the definition of poverty that emerged in the PSLSD was contingent on both of these broader contextual questions. The former question provided an important motivation for the PSLSD research. In the turmoil of social change, the dominant line of reasoning became that the possibilities of realising a non-racial democracy rested on the ANC's ability to govern. The ability to govern, in turn, was understood to be dependent on effective policy-making and state policies. It followed that effective state policies were dependent on 'good data' and information. However, 'good data' in the sense of being nationally representative, and non-racial, did not exist. The data that did exist reflected the Apartheid government's insistence on collecting data in terms of 'ethnic', 'racial' or 'country/Bantustan' categories. This data was neither comparable nor reflected the values of a new non-racial democracy (Klasen 1997).

This need for new policy data is a fundamental motivation that informed the definition of poverty in the PSLSD.⁴⁴ Two important points related to the definition of poverty follow. In Pundy Pillay's⁴⁵ (1996, 14) terms, there was a need for the new government to know "who the poor are and where they live". This government, or policy, need for *quantitative* knowledge of (poor) subjects inclined the PSLSD primarily toward a task of measurement. However, this process is never neutral. Research does not simply observe the subjects of concern. It is also productive of research subjects, and in specific ways in policy-oriented research (Hastings 1998). For this reason, Lucinda Platt (2003, 5) observes how "poverty research is impossible without a clear notion of a poor person and why it is a problem". I will return to the effects of this co-construction of policy formulation and the subjects of policy in later chapters. Now, I want to draw attention to the ways in which poor people's experiences were coming to be understood in largely quantitative terms.

An important feature of the definition of poverty in the PSLSD follows from this requirement for quantitative data to inform policy. As a general observation, the quality of data generated through quantitative research is dependent on the consistent application of precise definitions of concepts. The quality and accuracy of measurement in the PSLSD therefore depended on very precise and specific terms that exhibited a high degree of certainty and common understanding to limit the possibilities of re-interpretation (and hence corruption and invalidation) in the process of generating the research data in diverse sites across South Africa. I argue therefore, that the need for quantitative data to inform policy and the need for definitional precision in this process was a significant factor that generally informed the PSLSD and shaped the way it

⁴⁴ The brief introduction to *South Africans rich and poor: Baseline household statistics* (SALDRU 1995, iii-v) focuses specifically on why the data is important and relevant for policy makers.

⁴⁵ Pundy Pillay was the Operational Director for the PSLSD.

unfolded. I have clarified that if poverty was to matter in the transitional period it had to be defined in policy terms. For poverty to make sense to the State meant quantifying it and this meant definitional accuracy of terms and concepts. I now want to turn to examine how the political context informed the definition that was developed.

The political context

The suspicions and animosities of the late-Apartheid period pervaded this volatile transitional period as political interests engaged each other. As a result of the dominant parties committing to a process of inclusive negotiations, tensions ran high and the negotiations often seemed to hang in the balance. This need to reflect inclusiveness filtered throughout society and informed the organisation of the PSLSD. As Wilson and Horner (1996, 4) reflected:

“Given the historical circumstances [the] credibility [of the research] could only be won if the process of data collection was perceived not only to have been done as professionally and competently as possible, but also to have been done in such a manner as to restore public confidence that political bias had, as far as possible, been eliminated.”

The ‘political bias’ to which the quote refers is related to party politics and to erase this bias in the research, a non-political Steering Committee was established. Representatives from the entire spectrum of political parties were requested to participate, but in their individual capacities. The need to maintain a constant vigilance against political bias during the research process was intended to ensure the results of the research were politically acceptable to all. The process (and definition of poverty) had to be non-political in the sense of recognising all political interests, but treating them equally. This is a key difference with the Carnegie Inquiry that was presented as unconcerned with politics. Although, as I have suggested, the Carnegie Inquiry was highly political. In many ways the transitional political context afforded the PSLSD the opportunity of being non-partisan. Unlike during the Carnegie Inquiry, there was

no explicit need to align the research process and its outcomes with a specific political position to make valid claims about poverty. This was because it was almost inevitable that the ANC and its allies would secure control of the state and as Francis Wilson commented in relation to the transitional period:

“...the fact that we had a poverty discourse going in the 1980s involving practically every Black intellectual in the country, kind of helped to shape the discussions. I think it did.... I don't think it was a complete accident that poverty came out as the number one theme of the ANC government. I think that it was the obvious one.”⁴⁶

To secure professional competence and ensure that the project had the requisite technical input, and hence ‘scientific’ legitimacy, a Technical Committee was established of social scientists from around the country. A group of survey organisations and companies were selected to actually carry out the survey. The Carnegie Inquiry had generated a great network of researchers on poverty and this network provided a substantial base upon which to proceed with the PSLSD. However, the political climate still required that the PSLSD spend a lot of time introducing South Africans to each other and also getting people in the survey organisations from across South Africa to meet and get to know each other (Wilson and Horner 1996). The institutional location of the research was also broadened beyond SALDRU and the University of Cape Town to include universities identifying with both ends of the political spectrum.

This need to remain non-political, I argue, was another factor impacting on the definition of poverty. To be consistent, the definition of poverty also had to be as politically neutral and objective as possible. I turn to the World Bank as the last factor that I want to highlight in relation to the definition of poverty in the PSLSD. The World Bank is an important institution in relation to poverty and its definition. As such, I will return to consider its role and activities, at various points, into the next few chapters.

⁴⁶ Interview 21/07/04.

The World Bank

The World Bank were requested to provide assistance to the PSLSD⁴⁷ and they introduced a survey instrument known as the Living Standards Measurement Survey (LSMS) (Chander, Grootaert, and Pyatt 1980). In a recent review, Angus Deaton (2003) draws attention to the quality of the data generated through this survey instrument over the years. The LSMS provided an internationally recognised means of measuring poverty in an objective way. It was also appropriate to South Africa during the transitional period because the LSMS was geared toward gathering information considered relevant to policy-making. As Chander, Grootaert, and Pyatt (1980, 6) noted:

...there are a great many factors which play a role in determining progress through time of individual and family circumstances. Those which are interesting from the perspective of LSMS are the ones which are amenable to being influenced by policy”.

But the congruence between the objectives of the LSMS framework and the South African policy data requirements did not translate into an easy operational fit. The South African researchers questioned the format of the LSMS and, as Francis Wilson recalled, the research team

“....got into a big slanging match with the World Bank for a while which then calmed down because it became a debate amongst really interested people about what a questionnaire could do and what we wanted it to do”.⁴⁸

The PSLSD needed to balance the need to be perceived as non-political in an uncertain political context, ensure technical competence, and resolve initial differences amongst South African team members and with the World Bank. It is therefore not surprising that the process of drafting the survey questionnaire took a year and went through twelve major revisions (Wilson and Horner 1996).

⁴⁷ The origins of the PSLSD are traced to a visit by a high-ranking delegation of the ANC including the then deputy President of the ANC, Thabo Mbeki, to the World Bank in Washington in 1992.

⁴⁸ Interview 21/07/04.

This process is also indicative of an earlier point about the care and precision taken over the terms and definitions of poverty. However, a critical factor shaping the definition of poverty in the PSLSD can be found embedded within the LSMS instrument. The original motivation for the LSMS was to provide policy-makers who already had a “picture of economic activity as portrayed by data on production, accumulation, the balance of payments, etc... [with] ... facts on how individual living standards are geared to the production structure” (Chander, Grootaert, and Pyatt 1980, 1-2). This motivation, in turn, anticipated the probability of many developing countries having to “restructure their economies in the face of slower overall growth of export demand, and a worsening of the terms of trade... [and being able to] ... formulate a policy for restructuring which is sensitive to its repercussions on different socio-economic groups” (Chander, Grootaert, and Pyatt 1980, 2). This understanding of (poor) households as essentially a passive adjunct to the economic ‘production structure’ is of critical importance to the positioning of the poor in relation to economic growth and I will return to it in greater detail in the next chapter.

Thus through the use of the LSMS, poverty became defined in terms that made it easier to relate the phenomena and processes with the economy. Francis Wilson confirms this change. Reviewing the recent history of South African poverty research, he reflected that:

“...the big shift has been that we have moved ... to the econometric type of research. So we have moved to questionnaires and ... the big shift came with the PSLSD of course...”⁴⁹

As with the Carnegie Inquiry, the PSLSD is a complex and immense achievement under very trying and uncertain circumstances and it is difficult to do justice to all its effects. Nevertheless I want to point to the ways in which poverty began to be made ‘visible’ and ‘sayable’ in terms of a household’s lack of access to resources, assets, infrastructure and commodities as measured by their income

⁴⁹ Francis Wilson, Interview 23/07/04.

and expenditure. Living standards, or lack thereof, were defined in terms of income and expenditure. The origins of poverty remained rooted in decades of Apartheid dispossession but the solutions had changed. They were coming to be perceived as being found in the economy and would later be effected through the manipulation of state economic policy. As a consequence, the racial emphasis of the Carnegie Inquiry could be dropped in favour of a more racially neutral and technical discourse of development. This chimed well with the dominant discourse of non-racialism and poverty came to be regarded by the State as a 'lack of development'. This authorised the State to speak in policy terms about poverty. It also produced a key continuity with the Carnegie Inquiry because poor, Black, rural, women were defined as the most underdeveloped (Pillay 1996).

There are three effects that I would like to draw attention to. Firstly, the PSLSD provided the first set of nationally representative, non-racial data on South African poverty. However, quantitative social research tends to result in the homogenisation of poor people's experiences and expressions of poverty (cf. Shaffer 2002; Yapa 1998). While this feature may indeed be unavoidable in the formulation of social policy, Maia Green (2003) cautions that it is the technologies of measuring poverty that render diverse and individual experiences of poverty homogenous rather than these experiences being inherently homogenous (see also Rademacher and Patel 2002). The relative silencing of poor voices in this way, in this study, was recognised as problematic as I will show in the discussion of the SA-PPA below. However, policy-makers were powerfully equipped and authorised to proclaim the nature of the poverty problem and its solution. Indeed, the data powerfully informed the politics of the day through being incorporated in a range of social policies including the

influential Reconstruction and Development Programme (RDP)⁵⁰ (RDP 1995). Pundy Pillay reflects that:

“I think it has influenced a number of central policies. I think a number of sectors have drawn on [the PSLSD] – in housing, in education and... the local government sector where the Equitable Share Formula⁵¹ was originally based on the household and income levels of R800 per month”.⁵²

Secondly, the discourse in which these problems and solutions were framed was strongly informed by income poverty theory. Since income and expenditure defined poverty, and formal employment was recognised as the optimal source of income, it was not surprising that the PSLSD concluded that, “life problem No. 1 was unemployment”.⁵³ This effect would prove to be of great significance in the formulation of local development policies in Durban and I return to the issue in Chapter Five.

Thirdly, the Carnegie Inquiry’s emphasis on processes of impoverishment through labour migration, and particularly those that extended beyond South Africa’s borders, could no longer be accommodated (Wilson 2005). This is not to detract from the importance of the data generated through the PSLSD,⁵⁴ but to

⁵⁰ The RDP was a developmental policy statement formulated by the ANC on coming to power and setting out a programme for reconstruction and redistribution of the nation’s wealth, with the state playing a key role. It was widely seen as a manifesto for change and captured the imagination and hope of South Africa’s historically disadvantaged groups.

⁵¹ The Equitable Share Formula is the formula developed by the Finance and Fiscal Commission to determine the allocation of fiscal resources amongst South Africa’s nine provinces. The Finance and Fiscal Commission was an agency established through South Africa’s Constitution to fairly determine the appropriate allocation of resources between different levels of government and between the provinces. The poverty of a province, as determined by the number of poor households measured through the PSLSD, was a crucial element of the formula.

⁵² Pundy Pillay, Interview 29/07/04.

⁵³ Dudley Horner, Interview 22/07/04.

⁵⁴ The PSLSD has been recognised as particularly innovative in its definition of ‘household’. The eventual definition of ‘household’ that was adopted in the PSLSD has enabled new information to

point out that the Carnegie Inquiry's innovations and promise of tracing processes of impoverishment and enrichment across national boundaries were lessened in dominant South African Poverty Studies. This is arguably of importance for poor people in southern Africa, given the increasing dominance and integration of the South African economy in the sub-region.

In conclusion, the fact that there was no obvious, immediate definition of poverty in the PSLSD does not mean that a definition of poverty was absent and that the effects of the PSLSD were neutral. Poverty came to be seen as something to be defined in terms of income, dealt with in terms of government policy and understood in terms compatible with the economy. The state was authorised as the most important institution to act on this view of poverty in this process.

2.2.3 The South African Participatory Poverty Assessment (SA-PPA)

The participatory methodology of the SA-PPA has more in common with an understanding of the 'lived experience of poverty' and in this sense suggests more direct continuity with the Carnegie Inquiry than the PSLSD. However, this suggestion is misleading because the SA-PPA marks a continuity with the quantitative PSLSD, rather than with the Carnegie Inquiry. As I will show, the intention to allow the voices of poor people to define poverty is ultimately framed (and confined) in terms of the continuities with the PSLSD.

The stated definition of poverty in the SA-PPA is that it is characterised as: "...the inability of individuals, households, or entire communities, to command sufficient resources to satisfy their basic needs" (May 1998a, 2). The SA-PPA

emerge on migrancy patterns that subsequent large scale surveys in South Africa have been not been able to provide (Posel 2003).

faced different contextual uncertainties and the definition that emerges is contingent on the political environment, agendas of international agencies, local development goals and institutional practices. Julian May, the lead researcher, considers the SA-PPA not to have been as politically successful as originally hoped.⁵⁵ However, this lack of political success at the level of state policies throws light onto the argument that I have been making here. The apparent lack of success of the poverty study in the realm of formal politics does not mean that the definition of poverty it developed did not have any effects.

The motivation

The SA-PPA was undertaken because of a growing realisation, primarily at the level of international development agencies,⁵⁶ that the quantitative poverty surveys that they had supported and facilitated did not provide a ‘complete’ understanding of poverty, *for policy purposes*. At this stage, the international development agencies were shifting their support from the anti-Apartheid organisations toward assisting the state with policy implementation. To gain a more complete understanding of poverty it was necessary to engage with poor people and allow them to explain how they ‘experienced’ poverty (cf. Brock 2002). In this respect, the PSLSD is the reference point for the SA-PPA. To understand why, we need to return to another World Bank programme.

Julian May draws attention to a curious similarity between the World Bank’s Poverty Reduction Strategy Process (PRSP) for highly indebted countries and three of the studies under review in this chapter – the PSLSD, SA-PPA and PIR.⁵⁷ The PRSP framework consists of a Living Standards survey, a participatory

⁵⁵ Interview 22/04/04.

⁵⁶ The SA-PPA was funded by the United Kingdom’s Department for International Development and technical support was provided by the World Bank.

⁵⁷ Interview 22/04/04.

assessment and a policy review. The similarity is that the PSLSD corresponds to the Living Standards Measurement Survey (Budlender 1999). The SA-PPA is a participatory assessment and the Poverty and Inequality Report is a review of government policies. Whereas in other countries the components of the Poverty Reduction Strategy Process were undertaken more or less simultaneously, in South Africa it seems a similar framework was adopted with the studies being completed sequentially rather than simultaneously.⁵⁸

Thus within this 'PRSP-inspired framework', and the collective intellectual weight of the recently completed PSLSD, it would have been extremely difficult not to have had the PSLSD as the reference point for the SA-PPA. Certainly, the PSLSD was used to decide on which provinces to focus the SA-PPA (May 1998a, 15). It is worth recalling that the defining features of the PSLSD were the focus on contributing to policy and defining poverty in terms that made it easier to relate poverty to the economy. Any definition of poverty would be more successful if it enhanced the authority of the state to act in terms of poverty and could frame poverty within economic terms. To be able to make authoritative claims about poverty, the SA-PPA had to both be centrally linked to key government institutions and offer concrete recommendations for enhancing the delivery of services in a specific economic framework.

⁵⁸ I am inclined to agree with Pundy Pillay's ascription of this similarity to the internal dynamics and motivations of the World Bank in seeking new business even though South Africa did not qualify for debt relief. Bearing in mind that the World Bank was prevented from operating in South Africa prior to 1994 and that it is always seeking to expand its market, the support provided to the research projects (notwithstanding the diverse personal commitments of the people involved) can ultimately be regarded as an important component of prospecting for new business within a standard mode of operation on the World Bank's behalf. Descriptions of poverty that could be internationally compared because of similar research methodologies offered a compelling argument for motivating for developments that may have required World Bank loans in South Africa (Interview 29/07/04) (see also Tomlinson 2002, 381).

The political context

The eventual (more or less peaceful) transition to a fully democratic society overtook the PSLSD.⁵⁹ In April 1994, South Africa became a non-racial democracy with a government that inherited the negotiated settlement. The frenetic policy formulation of the transitional period had largely been determined by the ANC in its tri-partite alliance and other political interests.⁶⁰ The new political priorities were the dismantling of South Africa's intrinsically racist bureaucracy and geography, while simultaneously delivering the fruits of democracy to those disenfranchised and excluded by Apartheid. Moreover, in this early post-Apartheid period South Africa's first democratic state had consolidated its power. This made a difference because the SA-PPA was undertaken in a period of excitement and change and with little interest in policy fine-tuning. In this context, the institutional location of the SA-PPA is important in understanding its ultimate effectiveness on its intended policy target. As we have seen, both the Carnegie Inquiry and PSLSD had been implemented from the institutional base of a university, which lent these research initiatives a certain amount of intellectual weight and 'scientific credibility'. The SA-PPA however, was led by a small but respected, quasi-private consultancy company.⁶¹

⁵⁹ Pundy Pillay left to participate in the process of educational policy formulation and other project team members were involved in the election process. The management had wisely decided to release the data as it became ready rather than waiting for the entire data set to be approved. Even so, some of the data was only publicly released after the inauguration of the democratic government.

⁶⁰ The Tripartite Alliance consists of a formal alliance between the ANC, the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP).

⁶¹ The SA-PPA was led by Data Research Africa that counted Julian May as a director of the company. DfID selected Data Research Africa to undertake the research on the basis of Data Research Africa's record and experience of undertaking qualitative social surveys and Julian May's expertise on poverty issues.

Francis Wilson had spent two years enrolling key anti-Apartheid intellectuals and activists in what was to become the Carnegie Inquiry and the original motivation for the PSLSD came from the highest level of anti-Apartheid political leadership and the PSLSD then spent a considerable amount of effort in embracing the entire party political spectrum. By comparison, the SA-PPA appears as a creation of the international development agencies and, however powerful it might be thought that these agencies are, the SA-PPA had neither the institutional weight nor the political connectedness of the Carnegie Inquiry and PSLSD. The solution to this problem was for the SA-PPA to incorporate a senior government official from the RDP Office in the management team to ensure that the results of the research would immediately filter into government.⁶² In this way, the SA-PPA adopted a similar assumption to the PSLSD, which was that the state was now part of the solution to poverty. However, the immediate link to government and formal politics was lost when the RDP office was unexpectedly closed down in June 1996. This caused serious problems for the SA-PPA and raised the question of how the results could be channelled into policy-making and politics. The problems were only resolved later through the PIR.

The institutional context

While the motivation for the SA-PPA draws attention to broader international circuits of knowledge and development aid and attempts to inform South African policies, the SA-PPA had to include a range of very local charitable and non-governmental organisations (NGOs) to implement the participatory methodology it was committed to. The alignment with organisations already based in, and committed to, poor communities facilitated participatory poverty research within poor communities. It also had the progressive political effect of widening the

⁶² The RDP Office was located within the executive Office of the Deputy President and was widely regarded as a 'super-ministry' responsible for co-ordinating the post-Apartheid development effort across all the government's ministries.

range of voices participating in poverty eradication policy making. But this process of inclusion raised its own set of problems that had to be overcome if the research was to be considered at all successful.

As Morag Bell (2000; 2002) shows in the case of the Carnegie Inquiry, the Carnegie Corporation certainly pursued its own interests in particular forms of 'knowledge', and as I argue in the case of the PSLSD, the World Bank's LSMS format was influential in shaping the parameters of the knowledge generated. Arguably however, the World Bank – as a profit-making business with an explicit commitment to a specific economic agenda – had a more tangible and pointed stake in the process and results of the poverty research it was then promoting than the Carnegie Corporation had had in the Carnegie Inquiry. It was precisely the more tangible interest of the World Bank that raised the ire and suspicions of the NGO networks that the SA-PPA sought to mobilise and include in conducting the participatory research.⁶³ The impact of Robert Chambers' ideas on participatory forms of research and development had already filtered through to South Africa's NGO sector and had found a ready audience seeking ways to make the voices of the marginalised and poor heard in the far more conducive political environment of the transitional and post-Apartheid period. Thus, by the time the SA-PPA was being formulated, participatory appraisal methodologies had been extensively claimed, developed and utilised by a well-established 'sector' of non-governmental organisations. Thus Julian May anticipated and encountered:

“... a real ownership question, that this was a methodology that NGOs ought to do... There was a vision... [that we could not go and]... simply extract information. It would be politically impossible in South Africa. I think we recognised that...”.⁶⁴

The politics to which Julian May refers in this instance was a vibrant local civic or community politics that could 'make or break' any initiatives in the

⁶³ Julian May Interview 22/04/04.

⁶⁴ Julian May Interview 22/04/04.

'community'. The non-governmental organisations were already part of this circuit of community politics and their 'gate-keeping' of external processes was an important factor in determining the possibilities for any new initiatives in poor communities. Whereas the Carnegie Inquiry and PSLSD had overcome the barrier of community politics through securing political legitimacy at the level of the political leadership, the SA-PPA resolved the issue through securing the legitimacy of the non-governmental organisations. To secure the legitimacy of the process amongst NGOs, the SA-PPA established a committee of respected academics and practitioners⁶⁵ to oversee an innovative process of linking NGOs and poor communities to policy-making processes.⁶⁶ The SA-PPA was very strategic in this way because the success of the methodology depended on having access and trust within local communities. There was probably no other way that the SA-PPA could have proceeded within the "extremely tight time limit" set by the international development agencies funding the research (May 1998, 15) because to have built up the trust that was required for significant levels of participation would have exceeded the project's duration. The partnering with NGOs, who would continue to address local issues raised by the research process, also allowed the final report of the SA-PPA to shift the emphasis of the results to policy issues rather than focus on concrete activities for change in the local communities participating in the research. This is evident in the "intended audience" listed in the final report as including "policy makers", "development managers" and "development practitioners" (May 1998a, 17-18), and not community organisations or poor people.

Thus, through the SA-PPA a far broader definition of poverty is made 'visible' and 'sayable'. Poverty includes "shocks which do not have a direct political root, such as domestic violence or criminal violence, drought and ill health" (May

⁶⁵ The committee comprised Julian May, Francie Lund, Peter Ewang, Heidi Atwood, Andy Norton and Wilfred Wentzel (May 1998a, 10).

⁶⁶ Julian May, Interview 22/04/04.

1998a, 20), and overlaps with a sense of vulnerability. Vulnerability, especially arising from seasonal changes, in turn introduces “dynamic aspects of well-being ... and speaks to the prevailing insecurity of livelihoods” (May 1998a, 73). The effect is that poor people’s voices are heard and in new ways in relation to ‘poverty traps’ from which they cannot escape over time (cf. Carter and May 2001). However, the definition of poverty also had to be made ‘visible’ and ‘sayable’ in policy terms. For example, the researchers note: “poverty is not experienced ‘by sector’... [but that] information is presented in this form largely in order to group certain issues in a form which will speak to policy debates in South Africa” (May 1998a, 56). This policy-focus appears to sit uneasily alongside a commitment to validate the voices of the poor and overcome a “bias to what is measurable, comparable and conforms to the concepts and realities of the professionals” (May 1998a, 38). Thus, these voices were enrolled in supporting a predetermined definition of poverty that would have some purchase at a policy level. This predetermined definition of poverty, inclining towards policy relevance, remained dominant despite the observation that the poor:

“...perceived [poverty] to encompass a number of key dimensions with income not mentioned... Thus poverty is manifested by too little food, large numbers of children, inadequate and crowded shelter, and finally, exclusion from community self-help structures ... [and] ... frequently, concepts used in ranking exercises coincided more closely with an idea of ‘well-being/ill-being’ than ‘wealth/poverty’”(May 1998a, 39).

The definition of poverty made visible and sayable in the SA-PPA shows the difficulty of bridging what appears to be a vast gulf emerging between policy-makers and poor people. This is a concern that contributes to the motivation for the Poverty Hearings, as I show later in the chapter.

In conclusion the loss of the immediate policy link into government and consequent lack of impact of the research on policy, combined with Julian May’s sense that the SA-PPA had not been taken seriously enough by policy-makers, was a source of considerable motivation for him to bid to undertake the Poverty

and Inequality Report (PIR).⁶⁷ In so doing, he was able to mobilise some of the SA-PPA conclusions in the PIR.

2.2.4 Poverty and Inequality Report

The Poverty and Inequality Report (PIR) declares the same definition of poverty as the SA-PPA. Poverty is characterised by: “...the inability of individuals, households or entire communities to command sufficient resources to satisfy a socially acceptable minimum standard of living” (May 1998b, 2). This is not surprising given that Julian May was again the project leader but, as I show, the definition has different effects in a changed context.

The policy context

As the SA-PPA research drew to a close, the South African government closed down the RDP Ministry and Office and, shortly thereafter, introduced a macro-economic policy known as the Growth, Employment and Redistribution (GEAR) policy (Government of South Africa 1996). Despite GEAR having one of its aims as the “redistribution of income and opportunities in favour of the poor” (Government of South Africa 1996, 1), the vision of growth identified in the report is considered to be inspired by conservative, pro-market ideals (for example, Cheru 2001; Habib and Padayachee 2000; Peet 2002). Progressive intellectuals and activists within the ANC’s tri-partite alliance working towards the realisation of a more just post-Apartheid society, greeted the introduction of GEAR with dismay and consternation (c.f. Marais 1998). Notwithstanding trenchant and sustained criticism, the government has continued to implement this policy. This macro-economic policy is important for this study because it shaped the understanding of poverty that developed in the PIR as well as the

⁶⁷ Julian May, Interview 22/04/04.

Poverty Hearings, and filtered down to local development policies in Durban, as I will show in Chapters Four and Five.

Policy-making

GEAR had effectively become the focal point in relation to which all other policy initiatives had to respond or frame responses. GEAR was a form of intervening in the economy to reduce poverty that the PSLSD had made possible, although not inevitable, by framing poverty in terms that made it easier to conceive of managing poverty through the economy and economic policies. I have noted how poverty was increasingly being framed as an economic issue in the studies prior to the PIR. Francis Wilson notes the ‘big shift’ to econometric studies in poverty research generated “all kinds of insights which we didn’t have before”.⁶⁸ The most important insight in the context of this chapter is that the ‘PRSP-inspired framework’ had two effects. Firstly, it made the relationships between (poor) households and the production structure of the economy visible, and secondly, it also revealed new insights and depth to what had been known since the Carnegie Inquiry and before to be a highly skewed and unequal distribution of wealth in South Africa. As Julian May writes:

“...the majority of poor South Africans continue to face markets that are thin or missing...[and]...many markets remain strongly influenced by existing positions of power and influence through the institutions through which they operate...” (May 2000, 12).

However, just at the time that the economy was emerging as a solution to poverty for the government, the researchers in the PIR were identifying the government’s specifically neo-liberal understanding of the economy as itself part of the problem of poverty. However, the institutional location of the PIR meant that the government was able to declare the economy as ‘off-limits’ to the PIR process.⁶⁹

⁶⁸ Francis Wilson, Interview 23/07/04.

⁶⁹ Julian May, Interview 22/04/04.

And, as I will show below, the contractual proximity of the PIR to the ultimate policy makers left little space for negotiation. The broader questions of the role of the state in poverty reduction processes in sub Saharan Africa was the subject of a major research exercise organised by the Comparative Research Programme on Poverty (CROP) that included SALDRU (cf. Wilson, Kanji, and Braathen 2001b). The editors note in their introduction that despite shifts towards more inclusive approaches to social policy “there is still a tendency both by governments in Africa and the international finance institutions to separate out economic and social policies and to underestimate the importance of the linkages” (Wilson, Kanji, and Braathen 2001a, 4).

Institutional location

On this occasion, although initially motivated by international agencies (May 2000, 3), the research was commissioned and managed directly by the highest levels of the South African Government and technical support was again provided by the World Bank.⁷⁰ The PIR was similar to the SA-PPA in being implemented by a consortium of consultants. The purpose of the research was to undertake a review of the effectiveness of the post-Apartheid government’s policies on poverty. In terms of the similarities with the ‘PRSP framework’, the PIR can be regarded as the final element of poverty research.

The institutional location appears to have had contradictory effects. On one hand, the researchers were guaranteed unmediated access to the top policy-makers. Perhaps inevitably, this exposed the PIR more directly to the fickleness of national political processes, as I will show in relation to the Poverty Hearings. On the other hand, the research was more institutionally constrained than any of the previous studies I have considered in this chapter. The research was constrained because the parameters for the project were already set and the PIR

⁷⁰ Julian May, Interview 22/04/04.

was developed in response to a call for tenders by the RDP Office.⁷¹ Julian May's comments on the contractual beginning of the PIR are worth repeating at length because they draw attention to a number of organisational and institutional processes that created new uncertainties. Julian May comments:

So the tender process started in the RDP office ... I... put together quite a strong team ... the RDP Office informed us that we had won it, a contract was signed and then the RDP Office closed. So we had two loose ends now. SA-PPA finished with no one to give it to and the PIR ready to start with no one to manage it You will recall in about 1996, about July, that's when they released GEAR. We were called to a meeting, which was attended, by ... about eight Ministers and the Deputy President, Mbeki at that point at which it was touch and go whether the PIR would continue. There was a very strong view that the PIR was not wanted at the same time as they released GEAR. That the last thing that they wanted was a document coming out of the Presidency that might be seen as a critique of GEAR. They were deeply unhappy about some of the people that we had on the team and insisted that some people be removed and replaced them with others.⁷²

A focus on the role of the labour market and macro-economic policy in shaping poverty was removed from the terms of reference⁷³ and changes were made to the project team.⁷⁴ This makes an interesting comparison with the Carnegie Inquiry that sought to bring the structure of the economy into view to support the political struggle against Apartheid. The post-Apartheid government, on the other hand, used its political power to hide certain structural (economic) causes of poverty.

Notwithstanding serious political concerns on the part of the researchers about whether the new terms of reference for the study had become too limiting, the PIR continued.⁷⁵ The consequence of continuing was that the PIR:

⁷¹ The study was planned to be managed by the RDP office and the major funder was the UK Government's Department for International Development (Julian May, Interview 22/04/04).

⁷² Interview 22/04/04.

⁷³ These components were reinserted in the book *Poverty and Inequality in South Africa. Meeting the Challenge* (May 2000).

⁷⁴ Julian May, Interview 22/04/04.

⁷⁵ Julian May, Interview 22/04/04.

“... suddenly went from a study that was for the RDP Office, with international funders and international interests, to a study that was suddenly centre stage ... with very strong political involvement.” (Julian May Interview 22/04/04)

Indeed this substantiated Francis Wilson’s claim in 1996 (but not in the way that he anticipated) that since 1990:

“...all research into poverty has occurred with the knowledge that any issues uncovered, or policy proposals made, would engage the immediate interest of the government of the country” (1996b, 227).

A number of government committees were established to oversee the research at different levels. The PIR reported directly to an Inter-Ministerial Sub-committee⁷⁶ and a Reference Group of Directors General⁷⁷ and finally a broader Ministerial Group including Deputy-President Mbeki. Thus while the Ministers were very amiable in Julian May’s view, there was a sense that discussions: “...could go so far and then there was an area that was off limits and [could] not be engaged with...”⁷⁸ The area that was off limits was the “real economy”.⁷⁹ It is important to note that this was a *selective* view of the economy that was off-limits to the research. Through the GEAR macro-economic policy the South African government was arguing that the solution to poverty lay in a particular type of (neo-liberal) economic growth. At the same time, the cause of poverty was being located by the PIR in the economy and in their view such neo-liberal economic prescriptions would only exacerbate poverty levels.

We can grasp the definition of poverty established through the PIR, then, as

⁷⁶ This sub-committee was chaired by Geraldine Fraser-Moleketi (Minister of Social Welfare) and included, amongst others, the Ministers of Health, Land Affairs, Finance, and Water Affairs and Forestry.

⁷⁷ The post of Director General is the highest appointed position in the Government bureaucracy.

⁷⁸ Interview 22/04/04.

⁷⁹ Julian May, Interview 22/04/04.

partly the result of having to associate with what the PIR regarded as dominant neo-liberal economic discourses and practices and, because of their differences from this point of view, partly as an attempt to retrieve some 'progressive socio-political intent' in the overall schema of poverty alleviation. In the implementation of the research, Julian May recalls that:

"...it was a battle with the [World] Bank on the one hand and they had, you know, very strong ideas about what the market was, and education was the route ... they had some very clear pre-conceived ideas as to what policy recommendations ought to come out of the PIR".⁸⁰

The researchers in the PIR tried therefore to weave together three somewhat divergent trajectories represented by different interests. The first was their own concerns for equitable social change. The second was the need to engage with specific understandings of human development promoted by the World Bank. The third was a need to speak to the dominant neo-liberal discourses and practices of economic growth presented by the government. The resulting position was that poor people could potentially benefit from the process of economic growth, based on the assumption that the wider people's options and the higher their quality of life, the greater potential there is for economic growth. Economic growth and human development were considered to mutually reinforce each other – the ability of the state to provide services required growth and growth requires human development. However, "while growth is a necessary condition for the alleviation of poverty, it is not a sufficient condition" (May 2000, 8). In the view of the PIR researchers, there was a need to focus on the more embracing concept of 'human development'.

But, despite the care with which this balance between the dominant discourses of economic growth and broader social concerns were crafted by the end of the PIR, agreement could not be reached on the conclusions between the research team

⁸⁰ Interview 22/04/04.

and government's Steering Committee.⁸¹ The compromise was that the PIR would be released as a report *to* Government rather than a report *for* Government.⁸² Julian May is of the opinion that the report would then have been quietly shelved.⁸³ However, he reflects that because of the Poverty Hearings:

“...because of this road show of the NGO sector trawling around South Africa with the testimonies of the poor, at the big shindig that they then organised in Cape Town, government was challenged to say: “What is your response to poverty? Look civil society is doing so much, what are you doing about poverty?” And so they wheeled out the PIR. So rather than burying it, we suddenly shot up from our meeting with 20 Directors General. Within a month or two we had a meeting of, I don't know, 250 people, including the Archbishop, Chief Rabbi, Head Mullah, several premiers and god knows how many Ministers, Directors General all over the place – we actually had this huge shindig.”⁸⁴

In sum, the PIR made poverty visible and sayable as a means of managing the “dynamic relationship” between human development and economic growth (May 2000, 8). In this way, poverty was to be addressed through the processes of human development and economic growth. This is based on the view that poverty is a restriction of human development and thus of the overall potential for economic growth. The logic is that reducing poverty increases human development that in turn promotes economic growth. It is Julian May's view that this definition of poverty would never have achieved the profile it did unless the Poverty Hearings had taken place.⁸⁵

2.2.5 National Speak Out on Poverty

The impact of the GEAR macro-economic policy was also being felt amongst South Africa's substantial NGO sector and poverty researchers. For example,

⁸¹ Julian May, Interview 22/04/04.

⁸² Julian May, Interview 22/04/04.

⁸³ Interview, 22/04/04.

⁸⁴ Interview, 22/04/04.

⁸⁵ Julian May, Interview 22/04/04.

Wilson et al (2001a) had begun to question the role of the state in poverty reduction processes. It was becoming clearer that poverty was “inextricably and structurally entwined with dimensions of power at the national and international levels” and therefore, that it was no longer possible to gloss over the role of the state in any research that sought to analyse with poverty (Wilson, Kanji, and Braathen 2001a, 4). In addition to the general concern that GEAR had been formulated relatively exclusively and represented a departure from the aims of the Reconstruction and Development Programme, Jacqui Boule from the South African National NGO Coalition (SANGOCO) – South Africa’s umbrella organisation representing the NGO sector – observed two other trends. The first was that the debates about GEAR were tending to polarise NGOs within the sector and that the sector was losing a common focus (and hence effectiveness) in a post-Apartheid, democratic environment. The second sense was that policy and administrative gaps between goals and results that were emerging in the implementation of South Africa’s new policies to meet basic needs were not being attended to. In addition there was no platform for poor people to make their experiences of the new policies heard. An issue or goal was needed to unite the force of the NGO sector and provide a platform for poor people’s voices. Poverty was chosen as this issue from the range of social causes the NGO sector was pursuing.⁸⁶ As Debbie Budlender – editor of the *Speak out on Poverty* summary report – noted:

“As policy-makers reflect on strategies to eradicate poverty, *Speak Out on Poverty* aimed to provide a platform for the poor to influence the policy agenda, by talking about their experiences and solutions to poverty. The hearings are the beginning of a broader campaign to ensure that poverty eradication becomes the nation’s priority” (1998, 8).

The Poverty Hearings were considered necessary by important organizations in the NGO sector to both remind policy-makers in government about the claims of poor people to participate in the policy making process and to ensure that their substantive claims for assistance would continue to be prioritized.

⁸⁶ Jacqui Boule, Interview, 07/09/05.

The motivation

The motivation for the Poverty Hearings emerged from these NGO sector-wide factors and was contingent on the organisational abilities of the NGO sector at that time. The Poverty Hearings mobilized the same types of networks and circuits of organizations that the SA-PPA had sought to mobilize, but on a much bigger scale. The initiative drew on the format of South Africa's high profile Truth and Reconciliation Commission, to give poor people "a chance to be heard" and consisted of a series of ten themed public Poverty Hearings convened around the country to gather the testimonies of poor people themselves (Budlender 1998). Through a range of technologies such as simultaneous translation and toll-free telephone numbers, the submissions were heard, collected and acknowledged. The Poverty Hearings brought together "over 10,000 people" in a two and half month period and "nearly 600 people presented oral evidence" and there were "many hundreds of written records of the stories of those who arrived to make submissions on the day" (Budlender 1998, 8).

The Poverty Hearings as an organizational form was itself the outcome of a set of processes between the Commission for Gender Equality, the South African Human Rights Commission,⁸⁷ SANGOCO, and nine different international and national donor organizations.⁸⁸ Apart from the ability to successfully organise this logistical feat, I draw attention to the themes of each Poverty Hearing. SANGOCO quickly realised that drawing on the 'lived experience' of poor people would result in a wide range of responses. Consequently, if the process was to

⁸⁷ The Commission for Gender Equality and the South African Human Rights Commission are both independent agencies provided for in the South African Constitution.

⁸⁸ Indeed one of the major funders of the Poverty Hearings – UNDP – simultaneously supported the PIR. Given the impact of the Poverty Hearings on the PIR, this raises interesting questions about the contested international terrain of poverty discourses on policy (Julian May, Interview 22/04/04).

have any impact on the targeted audience of South Africa's Parliament, it would firstly be necessary to direct the process and secondly, focus it in a way that would be relevant to the government. Perceptively, SANGOCO created the possibilities for a more certain definition of poverty by tracing a policy lineage from the goals of the Reconstruction and Development Programme through the Bill of Rights expressed in the new Constitution to the obligations of the government to deliver social services and redistribute the country's wealth⁸⁹ (see for example Parnell 1998, 20).

The definition of poverty that emerged in the Poverty Hearings drew explicitly on the certainty of the UNDP's Human Development Report that had broadened poverty to include reference to a lack of access to resources and also targeted the lack of effective delivery on basic needs by the government's new policies. This is encapsulated in the introductory quote chosen to illustrate the definition of poverty:

"Poverty is lack of land and lack of resources to access land and basic facilities. It is the lack of capacity to purchase land, and for those of us with access to some land, poverty is the lack of resources to make productive use of that piece of land. If we get land and then we are assisted to secure inputs and services, such as fertilizers, good seed, farming equipment, credit and extension, we can beat poverty" (D Magadlela in Budlender 1998, 7).

While the Poverty Hearings appear to have affected the PIR, the immediate impact of the process appears to have been limited. As in the PIR, the ANC was sensitive to critiques associated with GEAR and not a single local councillor attended the ten Hearings.⁹⁰ Moreover, the sheer scale of managing the logistics diminished the immediate advocacy potential of the initiative. Both the Commission for Gender Equality and the South African Human Rights Commission reports annually to Parliament. SANGOCO handed over the final report to the Human Rights Commission to present to Parliament as part of its

⁸⁹ Jacqui Boule, Interview, 07/09/05.

⁹⁰ Jacqui Boule, Interview 07/09/05.

annual report. However, the content of the report was downplayed for fear of political sensitivities and as a result, the effectiveness of the process was diminished.⁹¹

Nonetheless, the outcome of the Poverty Hearings is that poverty was 'visible' and 'sayable' in terms of South Africa's Bill of Rights and the government's service delivery programme. Strategically, this allowed poor voices to be heard and legitimated on terms and within the framework of the State and its development programme. A relationship was made visible between human rights and poverty. The Poverty Hearings go further than this and make visible poor people's ingenuity and innovation despite the lack of support from the State. This definition of poverty makes 'visible' and 'sayable' that aspects of the new macro-economic policies of the State are responsible for the perpetuation, and even reinforcement, of poverty in South Africa. The effect of making poverty 'visible' and 'sayable' in this way and, it appears, coincidentally at this juncture, compelled the government to respond on poverty issues and paradoxically raised the profile of the PIR.

2.3 Conclusion

The purpose of this chapter has been to examine the extent to which definitions of poverty are 'obvious' in the sense of apparently accurately comprehending and conveying experiences and accounts of misery, impoverishment and deprivation in South Africa since 1980. Through the example of five national studies of poverty, I have suggested that far from being obvious, definitions of poverty can always only be incomplete and partial and that this partiality has been 'productive' of effects on policy making and for poor people. These effects include making only certain claims, actions and voices 'visible' and 'sayable'.

⁹¹ Jacqui Boule, Interview 07/09/05.

I pointed to the different ways in which the researchers all faced complex, uncertain environments in pursuing their respective research objectives, and how this was contingent on a diverse range of factors and social processes. I noted how both the process of defining poverty and definitions of poverty changed and reflected the researcher's different perceptions of political priorities. For example, I observed how the Carnegie Inquiry (de)defined poverty and how this allowed previously unheard and unseen Black voices and experiences of poverty to emerge and contribute to the case, and cause, against Apartheid. The PSLSD however, demanded very certain and commonly agreed upon definitions of poverty that would have some purchase on South Africa's post-Apartheid policy making process and implicitly related to an understanding of the structure of the economy. The SA-PPA and its open definition of 'poverty as lived experience' can be considered a reaction to the extent to which definitions of poverty became dominated by quantitative understandings through the PSLSD.

The PIR eventually provided a wider audience for the results of the SA-PPA although it had to strike a balance between competing views of the solution to poverty as residing in economic growth, human development, and more direct and tangible forms of the redistribution of wealth. But the high profile of the PIR itself was dependent on the challenge presented by the Poverty Hearings process and its attempt to link the definition of poverty to basic human rights. Contrary to the presentation of the development of poverty studies as linear, as described in the overview at the start of this chapter, this analysis of definitions of poverty shows that the process is more complex and convoluted. Instead, the definitions of poverty have always made some voices and actions relating to poverty reduction 'visible' and 'sayable' and not others. To be able to 'open up' the obviousness of definitions of poverty has been an important first step in interrupting the ways in which different aspects of the common understandings of poverty are routinely constructed and demonstrating how only certain aspects

are made 'visible' and 'sayable'. The insight is fundamentally important to clear the way for strategies to think creatively about poverty, and points to the forms of power that hold what is currently 'visible' and 'sayable' about poverty together (cf. Destremau 2001).

There are two points that were implicit in this analysis and which it is necessary to state here before proceeding to the following chapters. The first is that the inevitably partial nature of definitions of poverty suggests that poverty researchers are thoroughly implicated in selecting specific definitions of poverty, even if it is accepted that they are not the only agents involved in this process. Indeed, the inclusion of such factors as the personal motivations of researchers, contextual contingencies and political changes in the analysis of the chapter points to the ways that definitions of poverty emerge from far more than straightforward research exercises that are presented as simply combining academic ideas and 'facts' together. This insight signals the importance of the role of the subject positions involved in poverty research. It is an issue that I wish to keep in mind throughout the thesis, as I return to it in different ways in so far as it suggests an important avenue for pursuing changes in thinking about how to address 'poverty'.

The second point implicit in this chapter concerns assumptions made about the nature of the relationship of poor people to the state, to the economy and particularly to the nature of economic growth. This relationship has often, although not exclusively, been considered through the lens of policy making. Increasingly, I argue, the definitions of poverty in South Africa have come to be framed in terms of economic policy making within an appreciation of both local and international economic processes (cf. Wilson, Kanji, and Braathen 2001b). However, an important source of both definitions of poverty and the way in which poverty is conceptualised in relation to economic growth are theories of poverty. Thus, in the next chapter, I consider how the three theories of poverty that have dominated the national studies analysed in this chapter conceptualise

economic growth. Within this focus, I examine how poor people's economic activities are considered by the three poverty theories to contribute to economic growth. As I will go on to show in subsequent chapters, the way in which poverty has been framed in economic terms appears to dis-empower poor people by perceiving their activities and needs to be subservient, and secondary, to broader goals of economic growth.

three

The (in)visibility of poor people's economic activities in relation to economic growth

In the previous chapter, I pointed to the ways that poverty researchers were implicated in producing definitions of poverty that were contingent on their analyses and interpretations of complex and continually changing environments. Inevitably this resulted in definitions that were partial. I suggested that the effects of this partiality are typically neglected. Consequently, what often goes unacknowledged in poverty research is that definitions of poverty have already silenced some voices and legitimated others, and made certain aspects of poverty 'visible' and 'sayable' and others not, and all this before they are deployed in any research exercise or built on during a process of policy formulation.

This chapter aims to extend this analysis and explore how three prominent theories of poverty make poor people's economic activities 'visible' and 'sayable', specifically in relation to economic growth. This aim draws three issues through from the previous chapter. Firstly, from the five national studies of poverty I trace out three theories of poverty – income poverty, basic needs and sustainable livelihoods – that have been influential in shaping the different definitions that have emerged. Secondly, having noted the increasing importance of the role of economic growth in alleviating poverty, I draw through a focus on how the concept of economic growth is mobilised within poverty studies. Finally, I build on the argument that different representations of poverty make certain strategies to reduce poverty 'visible' and 'sayable'. Specifically, I focus on the understanding

within Anglo poverty research that poor people's economic activities are unable to contribute to economic growth (Rakodi 2002a; Devas 2004). As JK Gibson-Graham (2000, 102) observes, such “activities are rarely represented as resilient, ubiquitous, capable of generative growth, or driving economic change.” I hope to respond to the recognition that this issue has been neglected in poverty research (Beall 2002), by anchoring poor people's economic activities to the concept of economic growth in a different way, thus opening up the possibilities of imagining alternative strategies for addressing poverty.

The importance of the role of economic growth in alleviating poverty is deeply inscribed in all three theories of poverty, albeit in different ways and despite many disagreements about the nature and measurement of the concept.⁸⁹ In this view, economic growth is a necessary, if not always sufficient condition, to eradicate poverty. Martin Ravallion (1997) cautions that to assume that approaches to poverty take economic growth to be the sole indicator of change in poverty levels is to overstate the case. But it is fair to say that representations of the relationship between poverty and economic growth are discursively dominant in structuring theoretical understandings of what is to be done about poverty (Wood 2003). To my mind, the dominance of this understanding provides good reason to pay particular attention to its effects.

The relevance of examining the relationship between poverty and economic growth in the three poverty theories is also underscored by their place as two of the top policy priorities in South Africa since the advent of the post-Apartheid period (Everatt 2003; Wilson 1996). Eradicating poverty and ensuring economic growth – almost always presented together as a package – have consistently remained the top priorities of the national government (African National Congress 1994; Department of Finance 1996; Mbeki 2003). As I consider in the

⁸⁹ These disagreements tend to centre on debates about the quantity, quality and form of economic growth (Thomas et al. 2000; Kanbur 2001; Thirlwall 2002; Ravallion 2001; Dollar and Kraay 2002). These debates also overlap with issues such as the level of dysfunctionality of poverty on the prospects for future growth (Carter and May 2001; Osmani 2000, 2004; Ranis, Stewart, and Ramirez 2000).

next chapters, these twin policy priorities have increasingly centred on the post-Apartheid development of South Africa's cities. Indeed, so prevalent and taken-for-granted is this dominant view of the role of economic growth that it is difficult to extend the analysis from the previous chapter to recognise that poverty researchers (amongst others) are heavily implicated in (re)producing contingent representations of poverty. To disrupt this dominant view it is useful to ask a question that tends to go against the grain of the analysis that results from the three theories: namely, how are poor people's economic activities considered to contribute to economic growth in theories of poverty?

The three theories of poverty all 'see' poor people as engaging in economic activities such as transacting, consuming, and to some extent producing goods and commodities. Therefore the reason that these theories are unable to represent poor people's economic activities as contributing to economic growth is not because the activities of poor people are not considered *economic*. To some extent, the way in which the inability to 'see' poor people's economic activities as contributing to economic growth has been avoided is to suggest that the problem lies in the lack of good data at the appropriate scale. Thus, the solution to the problem is perceived as lying somewhat outside the disciplinary realm of poverty studies. Carole Rakodi conveys a commonly held view that the problem lies in the lack of available statistical data to "quantify the size of the economy in most towns and cities" (2002a, 289), most especially those in which many poor people's activities are unrecorded, unregulated and informal.⁹⁰

The argument that I wish to develop here takes a different path and I look *within* poverty studies. I suggest that one of the reasons why poor people's economic activities are not 'visible' and 'sayable' as contributing to economic growth in the three theories of poverty is because these activities are (unintentionally) represented as, at least initially, divorced from processes of economic growth. I

⁹⁰ See also Devas (2004, 34).

will argue that this inability to consider poor people's economic activities as contributing to economic growth is folded into contemporary poverty politics.

The chapter consists of three parts. Although the three theories bring economic growth into view in different ways, each of the theories makes reference to a generic concept of economic growth. In the first part, I provide an overview of this common understanding of economic growth. In the second part, I focus on the three theories of poverty in turn. I briefly describe some of the important features of the theory and then consider how poor people's economic activities are represented through the theory. These representations are then contrasted with the ways in which the generic concept of economic growth is brought into view. In the third and final part, I draw attention to the consequences of the way in which poor people's economic activities are made 'visible' and 'sayable' in relation to economic growth for poverty research.

3.1 The concept of economic growth

The vast literature on economic growth reflects its importance and an acknowledgement that economic growth is the result of a complex interaction amongst a diverse range of factors. Consequently, there are many theories that seek to explain part or all of its causes (Ferreira 1999). My intention here is not to engage with this body of work but to tease out some of the important *conceptual* issues at the core of understanding economic growth from the perspective of theories of poverty. It appears that all theories of poverty take their lead from a concept of economic growth developed primarily in the discipline of Economics (Brady 2003). However, while the different theories of poverty share the basic concepts of economic growth, I will show that each theory represents this phenomenon in a different way. Nevertheless, they all make it (more or less) difficult to think of the ways in which poor people's economic activities could contribute to economic growth.

Notwithstanding the diversity of factors related to economic growth, at their core the theories of economic growth all assume that growth is a generative, propellant activity based on some form of innovation (Massey 1996).⁹¹ Various theoretical schools have emerged to explain the sources of 'innovation' and the relationship of innovation to levels of productivity and profitability. Exogenous theories were developed in the 1950s and 1960s and assumed that the dominant source of growth must come in the form of technological innovation from outside of an economy, because they made the assumption of diminishing marginal returns to capital. In these theories, capital (investment) was always assumed to be more productive than investment in labour. Thus, as the capital to labour ratio in production increased, these theories suggested the incentive to invest would decrease because the marginal returns would diminish. The result would be decreasing income growth per capita, unless technological innovation altered the capital-labour ratio (Hagemann and Seiter 2003). More recently, theories have focused on endogenous explanations of economic growth by assuming constant returns to capital caused by externalities, principally through positive externalities that relate to human capital, knowledge spill-over and information technology (Sengupta 1998).

If the first core concept is the notion of innovation, then a second is the importance of aggregate savings. Common to all theories of economic growth is the understanding that investments are related to the level of aggregate savings which provide the necessary financial resource that can be drawn upon for new (typically large-scale) investments. New investments, in turn, underpin innovation and hence, economic growth. What is of fundamental importance to note is that the primary responsibility for saving is identified as residing amongst the non-poor. This is because the poor are considered neither to have, nor engage

⁹¹ I acknowledge the ecological critique that *aggregate measures* of economic growth include many activities that are neither generative nor sustainable (for example Douthwaite 1999), but here I am concerned with the activities associated with economic growth, rather than its measurement.

in, forms of saving (Yunus 1998; Sandbrook 1982). The key assumption that supports this understanding is that poor people consume all their income, primarily on food, and thus their ability to save is zero (Lipton 1997).⁹² Inevitably, this poses a dilemma for policy makers on how to allocate resources. Meeting the (apparently) endless consumption needs of poor people is contrasted with quantifiable investments in innovation that promise greater income (for all) (Jäntti 1990). For now, I continue with a consideration of the core concepts of economic growth and will return to this ‘trade-off’ in greater detail in Chapter Five.

The last core concept, that I consider, is a concern with the geographical location of economic growth. There are two issues that stem from this concern. The first is that economic growth was observed to take “place in enclaves, surrounded by traditional activities” (Lewis 1976, 26). What is important to point out now is that within these ‘enclaves’, economic growth is considered to possess an inbuilt, organic logic that will inevitably increase the standard of living and welfare of the general population (Allen and Thomas 2000; Jäntti 1990). The differences and inequalities that emerge between the ‘enclaves’ and the surrounding areas raise a second issue.

The second issue relates to how the results of economic growth are considered to be distributed because, by definition, economic growth cannot occur equally everywhere. This makes (at least temporary) inequality inevitable and raises questions about how the costs and benefits of growth are geographically distributed (Kuznets 1965). Various models have emerged such as the ‘trickle down’ processes identified by W.W Rostow or François Perroux’ ‘spread effects’ or Wallerstein’s understanding of ‘dependent development’ that binds economic growth into spatial differences between the ‘core’ and ‘periphery’. Despite this attention to the location of economic growth and the distribution of its costs and

⁹² Although as Keynes pointed out, the ability of the poor to demand commodities will always be an important component of economic growth (Thirlwall 2002).

benefits, the spatiality of these theories is remarkably abstract and universal. How economic growth actually happens or where is never made entirely clear. We are left to assume that economic growth is a harmonious process and can expand in any direction (Nugent and Yotopoulos 1979).

Given the diversity of approaches and the complexity of the issues, this account is simply a sketch of the issues at stake in theories of economic growth. Nonetheless, I hope to have drawn attention to a number of core issues. To sum up, these are, firstly, that economic growth is commonly thought to be about the process of innovation and productivity. Secondly, the realisation of this innovation occurs through new investments that are supported by the savings of the non-poor within particular 'enclaves' distinguished by the perception of the presence or absence of specific economic rationalities. Thirdly, that the emergence of economic growth is related to spatial inequality.

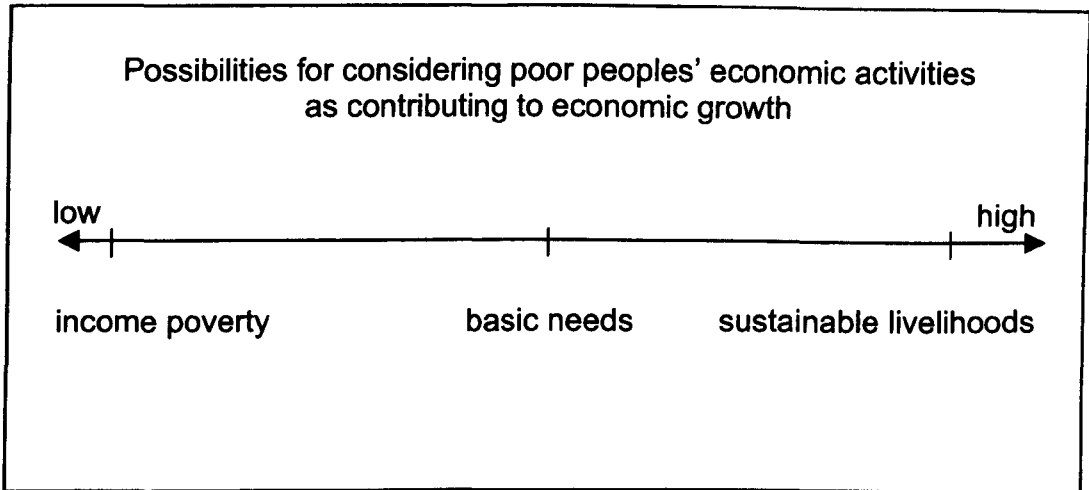
3.2 Theories of poverty

This section forms the major part of the chapter and its purpose is to analyse how each of the three theories that have dominated South African poverty research represents the relationship of poor people's economic activities to economic growth. I consider each theory in turn. I work through the theory by describing some of the general features and considering how poor people's economic activities are represented. The representations of poor people's economic activities are then compared to the ways in which the generic concept of economic growth is brought into view. I synthesise a wide range of literature to present an ideal description of the three theories that rarely appear in this way in practice. Although the theories have historically developed sequentially (Jones 1999; Allen and Thomas 2000), it is worth noting that these three theories have not replaced each other but rather co-exist and are often woven together by

researchers to explain the multi-dimensional nature of poverty.⁹³ Here I provide two examples from the South African studies analysed in the previous chapter. The Carnegie Inquiry initially made use of income poverty statistics and to these statistics were added ideas of basic needs and assets and capabilities (Wilson and Ramphele 1989, *passim*). The PIR focused on income poverty represented by ‘money metric’ measures of “poverty proper” (May 2000, 21) but also on sustainable livelihoods, as they note, the “...the expansion of capabilities forms a cornerstone of the approach adopted by the PIR” (May 2000, 8).

In each of the three theories, the inability of poor peoples’ economic activities to contribute to economic growth emerges differently and different aspects of the generic view of economic growth are emphasised. As I will demonstrate, it is possible to imagine a spectrum of poverty theories in which it becomes progressively easier to consider poor peoples’ economic activities as contributing to economic growth as the analysis proceeds from income poverty to sustainable livelihoods theories (See Figure 2). This is because as theories of poverty have developed, the view of poor people’s economic activities has been broadened and enriched to include poor people’s assets, claims on public resources, and means of managing or coping with diverse economic processes. Ultimately however, poor people’s economic activities remain ‘visible’ and ‘sayable’ as ‘survivalist’, ‘residual’, ‘informal’ or ‘traditional’ and as such are considered unable to contribute to economic growth (Jhabvala, Sudarshan, and Unni 2003).

⁹³ There are those that argue that it is neither advisable nor possible to combine different measurement methodologies to reach adequate understandings of poverty (for example, Ravallion 1993) and those who argue that it is (see Olsen 2004; Streeten 1998). The debate appears far from over (Lipton 1997; Ruggeri Laderchi, Saith, and Stewart 2003).

Figure 2. Spectrum of poverty theories

3.2.1 *Income poverty theory*

The income theory of poverty has the longest history of the three theories of poverty described here. The origins of the theory can be traced back to processes and events in mid-nineteenth century England (Kanbur and Squire 1999). In developing countries, income theories of poverty are strongly associated with theories of modernisation and industrialisation that dominated the development debates of the 1950s and 1960s. In these theories, the goal of full, waged employment in a modern formal economy offered the best potential for alleviating poverty. In South Africa, this theory has historically been a structuring element of poverty studies (Wilson 1996, 233) and it still predominates in current research (Noble, Ratcliffe, and Wright 2004, 13).

At the core of this theory is the belief that poverty is primarily a 'lack' or 'deficiency' of income (Jones and Nelson 1999) and that poverty is best understood in terms of 'flows' (Chambers 1992, 302). The 'lack of flow' can be measured in a number of different ways such as expenditure, calorific requirements or the extent to which basic needs are met (Lipton 1997). The measurement relies on the isolation of discrete units such as households, across

the boundaries of which, the inputs and outputs can be traced (Yapa 1998). A typical contemporary definition of poverty in this view is described by Paul Shaffer (2002, 58) as “inadequate private consumption of basic goods and services”. The calculations are based on assumptions of homogeneity across (typically household) units of “basic preferences ... represented as ‘equivalent’ consumption expenditure (money metric utility) after adjusting for price and household composition differences” (Shaffer 2002, 59). The level at which the consumption-equivalent-income is deemed to be adequate (either in absolute or relative terms) is calculated and represented as a poverty line. In this theory, poverty comes to be known through surveys of individual or household income and a ‘head-count’ of those individuals or households whose income is below the poverty line (Ravallion 2004). As noted in Chapter Two the assumption of homogeneity renders poverty to be ‘visible’ and ‘sayable’ in ways that tend to diminish the importance of individual experiences and contexts. But the assumption of homogeneity is also important to this view of poverty because it means that the relationship of all poor households to the state or the economy can be reduced and simplified to a single feature or characteristic (Mitchell 2002; Yapa 1996). The singular meaning of poverty tends to translate into a singular solution to income poverty. This solution is to increase incomes and hence the consumption of poor people. The theory assumes the universal existence of wage labour (Rakodi 1995) and that the most important asset of the poor is their labour. As I will show below, this is an important element of the poverty reduction strategies that follow from this theoretical vantage point.

The pragmatic necessity of making (qualitative) assumptions about what is ‘adequate’ and how poor households achieve ‘adequate consumption’ on corresponding levels of income and critiques of these, often implicit, assumptions have been well documented (Sen 1981; Chambers 1992; Noble, Ratcliffe, and Wright 2004). Notwithstanding the qualitative assumptions that are necessarily made in income poverty theory, it is largely regarded as a

quantitative theory⁹⁴ and, as such, a large amount of effort has been spent on improving the ways in which poverty is measured (Chambers 1992).⁹⁵ Added to the notion of the poverty line is the concept of the 'poverty gap' which measures how much the income of those below the poverty line would need to be increased, assuming a perfectly targeted transfer is possible, to 'eradicate poverty'. The 'poverty gap' is also an indication of how severe the rate of poverty is since the poverty line provides no indication of how far below the line poor individual's or household's income/consumption actually is. While the *rate* of poverty is used to measure the percentage of people within a particular area that are classified as poor, the *share* of poverty is used to compare the distribution of all those counted as poor across areas such as urban and rural.

A point that I would like to emphasise here is that the definition of poverty in income poverty theory is firmly focused on the *consumption* characteristics of the poor rather than their productive activities. As I will show below, this focus on consumption is an important aspect in the way poor peoples' economic activities are considered unable to contribute to economic growth. The focus on the consumption characteristics of the poor is reinforced in a key methodological debate that has relevance in South Africa. The debate is whether income or expenditure is a better measure of consumption and hence poverty (Shaffer 2002). In support of an expenditure approach, Meyer and Sullivan (2003) note that, because there is less reliance on the formal labour market in developing countries, data on earnings is less reliable.⁹⁶ Moreover, earnings in poor households could fluctuate rapidly while expenditure might remain more constant because credit could be used to smooth consumption (Blundell and Preston 1994). Expenditure also appears to be better reported in surveys than

⁹⁴ A notable exception is Michael Lipton's (1983) distinction between the poor and the ultra-poor which suggests a line below the poverty line that denotes qualitative changes in the poor's behaviour.

⁹⁵ See for example Øyen (1996) and Allen and Thomas (2000) and Lok-Dessallian (2001) for a summaries of the different dimensions of the measurement debates.

⁹⁶ Although it is argued that consumption is equally relevant in developed countries (Blundell and Preston 1990) and that the distinction between income and consumption appears to relate more to the income level of the social group being measured (Blundell and Preston 1994).

income and therefore measuring people's actual expenditure is a more predictable indicator of poverty than an *ability* to consume (Chander, Grootaert, and Pyatt 1980). This debate emerged in the context of the PSLSD in South Africa. It is worth recalling how, despite starting off with the 'lived experience' definition of poverty developed in the Carnegie Inquiry,⁹⁷ the researchers in the PSLSD came to focus on income and expenditure.⁹⁸ It is now generally accepted that measuring both income and expenditure is preferable (Deaton 2003).⁹⁹

In income poverty theory the origins of poverty are acknowledged to be diverse. The origins can include a complex mix of factors relating to race, gender or age, as well as characteristics of livelihood strategies, spatial location, and lack of access to goods and services (Chambers 1992) and specifically in the case of South Africa, in Apartheid (McCarthy and Hindson 1997; May 2001, 2000). Despite this recognition of a diversity of origins of poverty, income poverty theory tends ultimately to be reductionist, in the sense that poverty is reduced to what is measured (Guhan and Harriss 1992, 22). Echoing the concerns of Chapter Two, Carole Rakodi (1995, 411, emphasis in the original) notes "the definition used affects not only *who* is defined as poor but *how* their deprivation is understood and thus the methodologies used to quantify and understand it and the nature of the interventions designed to alleviate it". The reduction is also considered to oversimplify the nature of poverty (Chambers 1992). Diana Mitlin (1995, 3) even suggests that the concern with measuring poverty detracts from the "interest in understanding the underlying causes of urban poverty", a concern that has motivated Noble et al (2004) to pragmatically call for a 'consensual approach' in defining a workable poverty line in South Africa.

⁹⁷ Francis Wilson, Interview 23/07/04.

⁹⁸ Pundy Pillay, Interview 29/07/04.

⁹⁹ For convenience I will continue to refer to the income/expenditure poverty theory as the 'income poverty theory'.

Representations of poor people's economic activities in income poverty theory

Representations of poor people's economic activities figure in two ways. Firstly, a consideration of poor people's economic activities as inherently productive is noticeably absent in this approach to poverty. We are alerted to this absence through the perceived attributes that prevent poor people's economic activities from being productive. In early versions of this theory, these attributes are linked to backwardness, tradition and values that are antithetical to urbanisation, industrialisation and modernisation. Thus full development and eradication of poverty required attention to both economic issues and 'non-economic' values to be truly effective (Hoselitz 1952). That is, to the extent that poor peoples' economic activities were 'visible' it was to identify the need to transform them in the image of modern, productive activities. In this view, an activity can be defined as economic if it could be performed by a third party and sold on the market (Wood 2003). More recently, poor people are represented as not having the forms of education and knowledge appropriate to participate in growth processes (Zein-Elabdin 2004). As a consequence, poor people's economic activities are neither considered as informed by, nor exhibiting, the modern, rational values that the economic growth is assumed to depend upon. Instead, poor people's economic activities are represented as survivalist, small and unproductive by comparison. Lacking a 'growth' logic these survivalist activities are always framed as subservient to the coherent and organic logic associated with economic growth. The logic of economic growth is considered expansive, transformative and universal even though it is recognised that economic growth occurs unevenly across geographical space. While rural to urban migration is recognised as an important part of many representations of poor people's economic responses to improving their incomes, the logic of consumption is spatially confined – often to the household.

Income poverty theory accepts that, by definition, poor people are assumed to consume whatever they earn. Therefore, there is little space for accounts of investments to increase the productivity of poor people. As Yunus (1998) and Sandbrook (1982) comment, the responsibility for saving is identified to depend on the non-poor because the poor are considered neither to have, nor engage in, savings. This introduces a second way in which poor people's economic activities figure in the income approach.

Poor people's economic activities are presented as inherently consumptive. However, the fullness of this presence belies an ability of these consumption activities to contribute to economic growth. Indeed, the consumption activities of poor people are more typically seen as detracting from the possibilities for economic growth derived from long-term investments. The assumption that poor people's economic activities are predominantly consumption focused introduces a trade-off in distributing public resources between allocating the available resources between (short-term) consumption and (long-term) investment (Streeten 1977; King 1998; Hicks 1979; Goldstein 1985). This trade-off becomes critical in the context of the following chapters when the level of infrastructural investment in Durban is mapped against the assumptions about poor people's economic activities and the result is that poor areas qualify for the most 'basic' infrastructure, while traditionally 'productive' areas are enhanced with higher quality 'economic' infrastructure.

Comparing activities associated with economic growth and poor people's economic activities: strategies of absorption

I now bring the representations of poor people's economic activities and economic growth together to analyse how poor people's economic activities are made 'visible' and 'sayable' in relation to economic growth. The first point to draw attention to is that in this theory of poverty, economic growth is considered a necessary, if not sufficient condition, for addressing poverty. This ensures that

the lot of the poor is bound to the results of economic growth. However, while the economy and economic growth fully determine the possibilities of poor people's economic activities, it is clear that they are simultaneously represented as different in a number of ways.

Firstly, by being consumption focused rather than production or investment focused, it is argued that poor people are engaged in the 'wrong' type of economic activity to contribute to economic growth. Where it might be admitted that poor people are engaged in some form of production or investment, this is seen as being on too small a scale to be relevant. Secondly, the 'logic' of poor people's economic activities is often located in the household and hence focused on 'survival'. When this is compared to the logic of growth it means that poor people's economic activities do not contribute to economic growth. This leaves "the poorest groups outside the sphere of economic expansion and material improvements" (Ahluwalia, Carter, and Chenery 1979, 299). It is only through economic growth that poor people can be absorbed into the flow of the main stream of the economy. Thirdly, economic growth is considered to depend on very particular types of knowledge and skills and generally, the higher skilled and educated people are, the greater the productive potential. Since, almost by definition, poor people lack this level of education and skill, this is another way in which poor people's economic activities are considered divorced from economic growth.

Since they are outside the processes of economic growth it is consequently not possible for them to contribute to economic growth. Indeed, in the most extreme cases, when economic growth is represented in approaches to poverty as growth in the aggregate output (GDP) or income (GNP) of a (formal) economy, a slippage often occurs between the measure of growth and what is understood to be the economy. In this way, the measure of economic growth comes to be understood to be the economy (Folbre 2001, 65). Thus when poor people's economic activities are not thought to be contributing to economic growth, the

effect is to remove poor people's activities from the economy entirely and much of their output is not measured. Even in more nuanced accounts of income poverty theory, the focus on economic growth detracts attention from the economic nature of poor people's activities and how they may be within the economy, even if they are not thought to contribute to economic growth. The strategic response that emerges from this theory is how the poor can be *absorbed* through utilising their (labour) asset (Amis 1995).

Suresh Tendulkar (1992) provides a coherent summary of this poverty reduction strategy of 'absorption' of poor people into the formal economy. The process begins by characterising households in relation to the macro-economy. In this regard, it is important to distinguish between households that could be "drawn into the mainstream of economic activity and those which cannot" based on the distinction between the presence or absence of household labour endowments (Tendulkar 1992, 32). It is argued that where such endowments are absent, the household is the responsibility of the social security system of the state.

Assuming the presence of household labour endowments, in this view the potential to absorb the households will vary, according to an assessment of the characteristics of the poverty such as its duration or the location of a household in a rural or urban area. The important parameters of the macro-environment to absorb households relates to the pattern and rate of the growth process (Tendulkar 1992, 33). On the basis of these assessments of the households and the macro-economy, "a household may be defined as economically viable in the production process when the interaction between the household-specific factors and relevant macro-environment enables the household to sustain an above poverty level of living" (Tendulkar 1992, 33).

As noted in the introduction to this chapter, this view of the relationship between poverty and economic growth is remarkably prevalent and enduring. Despite the methodological problems of reductionism and over-simplification being

identified with the approach (cf. Moser 1998; Rakodi 1995), income poverty theory continues to remain an important means of measuring poverty (Rakodi 2002c). The subsequent theories that I will consider – that of basic needs and sustainable livelihoods – set out to make different aspects of poverty ‘visible’ and ‘sayable’ and overcome some of the problems associated with income poverty theories.

3.2.2 Basic needs theory

The starting point for basic needs theory was that economic growth did not always translate into proportionate increases in remunerated employment that, in turn, reduced poverty (Rimmer 1981; Blaikie, Cameron, and Seddon 1983). This evidence emerged in the late 1960s and early 1970s and disturbed the sovereignty of *aggregate* economic growth as the solution to poverty. There was a recognition that the conventional development strategies that were focused around employment generation had not succeeded in reducing poverty (ILO 1977). The work of the ILO had shown that “GNP growth generated by capital intensive production could not only worsen income distribution but, by increasing unemployment, actually produce growing poverty” (Moon 1991, 4). Despite worldwide economic growth at unprecedented levels, poverty levels had not changed significantly by the early 1970s. Since growth did not appear to be dependent on levels of income nor have a uniform effect, the concern moved from the “goal of output maximisation to poverty minimisation” (Hicks 1979, 985). This view was informed by macro-economic research that has come to be termed the ‘redistribution with growth’ perspective and, as the term implies, was fundamentally concerned with the distribution of economic benefits that arose through growth (cf. Chenery et al. 1974).

This led to the search for broader and deeper understandings of poverty and the concept of ‘basic needs’ emerged. Basic needs theory is distinguished from

income poverty theory by two characteristics. On the one hand, it was argued, “the basic needs of all should be satisfied before the less essential needs of a few are met...” (Streeten et al. 1981, 8). On the other hand, there was a recognition that only improving the income of those in poverty was not sufficient and a wider conception of poverty was required – a conception that included access to public infrastructure and services, for example. For Richard Sandbrook (1982, 37), the “preoccupation with material needs [is] quite simple: these [are] the foundation of all other human needs because their satisfaction [is] essential to survival”. The macro-economic ‘redistribution with growth’ research provided the justification for higher levels of redistribution through public investment in infrastructure and services that would benefit poor people and is therefore important for the argument that is being developed in this thesis.

An emphasis on the redistributive element of the theory quickly came to differentiate a more politically radical version of basic needs approaches from liberal approaches that sought merely to cope with poverty (Sandbrook 1982; Seddon 1982). However, both radical and liberal versions of basic needs approaches recognised that some needs were dependent on prevailing societal norms, but suggested that a certain minimum was essential to a decent standard of living (Rimmer 1981). Thus, basic needs were defined in terms of “minimum levels of private consumption of food, clothing and shelter, and access to certain essential public services such as pure water, sanitation, public transport, and health and educational facilities” (Sandbrook 1982, 10).

The basic needs approach added another dimension to the conventional approaches of increasing income, consumption and employment by focusing on the “provision of the particular goods and services needed by deprived groups – those who starve or are malnourished, those who are suffering from ill health, the homeless...” (Streeten et al. 1981, 109) and in this way shifted the focus to

absolute poverty in ‘developing countries’.¹⁰⁰ Thus, in addition to the poverty line, the theory set out to measure the needs considered ‘basic’ – those needs “minimally required to sustain life at a decent material level” (Moon 1991, 5). This in turn was defined in terms of adequate food, water, healthcare, shelter and minimum education (Streeten et al. 1981). Adequacy was therefore defined in a “minimum way and measured in terms of observable outcomes rather than in relation to income or consumption of such ‘basic’ goods” (Moon 1991, 5). Basic needs could thus be measured as outcomes such as life expectancy, infant mortality, and literacy (Moon 1991). The effect of this shift was to emphasise the survivalist characteristics of poor people that, in turn meant that poor people's economic activities were even less likely to be thought of as contributing to economic growth.¹⁰¹

Representations of poor people's economic activities in basic needs theory

The basic needs theory represents poor people's economic activities in a similar fashion to income poverty theory. From scholars such as Paul Streeten (1977; 1978; 1981) and Norman Hicks (1979) to Richard Sandbrook (1982) and Bruce Moon (1991), there is little attention to poor people's economic activities other than in the form of consumption. Instead, we are required to deduce broader views of activities from other statements. An example where Norman Hicks (1979, 985) suggests why income poverty theory failed to reduce poverty, is illustrative:

“consumers are not sufficiently knowledgeable about health and nutrition, and will therefore not spend incremental incomes wisely or efficiently; there is known to be a serious maldistribution of incomes within households...; it is difficult to find policies, investments, etc. that will increase the productivity of all the poor in a uniform way...”

¹⁰⁰ At more or less the same time, Peter Townsend's (1979) concept of *relative* poverty was gaining increasing purchase in policy debates in the ‘developed countries’.

¹⁰¹ However, this is not to deny the power of such forms of measuring changes in quality of life and the measurement of poverty through the ‘outcomes’ of literacy, mortality and so on, powerfully informed the poverty discussions in Durban. I will return to this in the next chapter.

I argue that these statements are based on a view that poor people's consumption activities are seemingly ill-informed; the distribution of income within households is neither rational and optimal for economic growth nor equitable and that it is necessary to raise the productivity of poor people's economic activities. To my mind, these views are not far removed from the understandings of poor people's activities in income poverty theory.

Paul Streeten notes the similarities with income poverty theory in this quote:

“...basic needs does not replace the more aggregate and abstract concepts, which remain central to measurement and analysis; it gives them content. Nor does it replace concepts that are means to broader ends, like productivity, production and growth, but it derives from the end of meeting basic human needs the need for changing the composition of output, the rates of growth of its different components, and the distribution of purchasing power” (1977, 9).

However, it is worth recalling that the influence of the ‘redistribution with growth’ macro-economic perspective was to encourage researchers and policy makers to focus on increasing the productivity of poor people. However, poverty work within this vein was historically applied in rural areas where the distinction between household consumption and production was very difficult to determine. Therefore retaining the insights of basic needs theory and the ‘redistribution with growth’ perspective on poor people's potential productivity justifies shifting the focus to urban poverty in this thesis. This is because the separation between production and consumption is easier to establish in urban areas and offers a theoretical justification to approach the insights from basic needs theory in considering the relationship between poor people's economic activities and processes of economic growth.

It could be argued that basic needs theory makes it both more difficult and easier than income poverty theory to ‘see’ poor people's economic activities as able to contribute to economic growth. It is more difficult because the focus on the

absolute poverty of poor people shifts attention from consumption activities to even more marginal activities associated with survival. The emphasis on survival is reinforced by the use of life expectancy, literacy and child mortality as key indicators of poverty.

However, basic needs theory simultaneously makes it easier to 'see' poor people's economic activities as able to contribute to economic growth by drawing attention to the reproductive burden that households endure in the absence of full access to public infrastructure and services and their potential productivity. Implicit in this argument is the suggestion that the lack of access to infrastructure is a major reason for poor people's lack of productivity. An example of this reasoning is provided through the PIR that the "provision of infrastructure will make a crucial difference to the ability of the poor to overcome poverty, by addressing dimensions of poverty such as access, opportunities and workload" (May and Rogerson 2000, 215). The possibility that poor people could be productive was informed by a set of parallel debates about the 'informal sector'. Although it was clear that there was no simple correspondence between being poor and pursuing activities in the informal sector (as it was termed in the early 1970s (cf. Hart 1973)) (Cartaya 1994), the early debates around the informal sector strongly informed basic needs theory. For this reason it is therefore necessary to review these debates. The early debates around the informal sector are also important because they inform the discussion of sustainable livelihoods theory that is to follow in this chapter, and anticipate the form of some of the conclusions of my research.

Cathy Rakowski (1994, 5) notes that debates around the informal sector "emerged from disagreement over how Third World economies should develop and at what pace, the role of state planning and investment or international funding and technical advising should play in economic development; and the relative importance and costs to the pace of economic development of addressing social problems such as poverty, rural-urban migration, rapid urbanisation, and

so forth.” It was precisely the massive urbanisation that had been spurred by processes of industrialisation and modernisation in the 1950s and 1960s that gave rise to new forms of informal employment and housing. Thus, the term ‘informal sector’ “emerged in the 1970s to describe economic activities that are outside the purview of the state but nevertheless entirely ‘modern’, both in their origins and in their connections to other seemingly more advanced, better organised and more clearly regulated economic activities” (Benton 1994, 224). The earliest debates were not only about why the informal sector persisted, but also about its capacity to generate growth and employment (Moser 1994). Within studies of the informal economy, “dissatisfaction with *a priori* dualist models resulted in an alternative framework emphasising a continuum of productive activities” (Moser 1994, 20). Within this continuum the vast majority of activities engaged in by poor people were considered to conform with descriptions of ‘petty commodity production’, “a form of production that exists at the margins of the capitalist mode of production but is integrated into it and subordinate to it” (Moser 1994, 20). Thus, studies concluded that the “issue was not whether small enterprises have growth and employment potential, but under what conditions” (Schmitz, 1982a, 445 in Moser 1994, 22). However as Lauren Benton (1994, 224) observes, the debates about the informal economy have “borrowed, for the most part unconsciously” from a structural framework that subordinates the informal economy to the formal economy. A fundamental issue in the early debates about the informal sector was therefore the structure of the economy and relationship between the formal and informal sectors. These debates intersected strongly with insights from basic needs theory about the structure of the economy and it is to these issues that I now turn.

Comparing activities associated with economic growth and poor people's economic activities: strategies of connecting

If poor people's economic activities are represented in a similar fashion to income poverty approaches, differences emerge from the influences of informal

sector debates in how poor people's economic activities are compared to activities associated with economic growth. This is because economic growth is brought into view in a different way in basic needs theory. As the quote below shows, economic growth is still crucial for poverty alleviation. However, the cause of poverty is not only related to the aggregate output of the economic growth but also to the *structure* of the economy. The ILO (1977, 32) states that the:

“...fulfilment of basic needs in poorer countries cannot be achieved by a redistribution of goods currently produced. Not only must the structure of production change, but the total amount produced must also rise over time. For this reason a rapid rate of economic growth is an essential part of a basic needs strategy”.

It is worth recalling that basic needs theory questioned the assumed positive correlation between higher levels of aggregate economic growth and reductions in poverty levels in the light of evidence that growth did not always reduce poverty levels. The effect was to retain a focus on economic growth but shift attention away from the aggregate output of economic growth to the structure of the economy. As Bruce Moon (1991, 14) states, “the basic structure of the economy is the single largest determinant of basic needs provision and certainly the most immediate”. This view is echoed by Ajit Singh (1979, 587) that “to meet basic needs it is necessary to transform the productive structures of Less Developed Country economies”. In this way, basic needs theory again drew strongly on insights from debates about the informal sector and the benign or exploitative nature of the structural relationships between the sectors.

The structure of the economy tended to be interpreted differently in the liberal or radical approaches that emerged within basic needs theory. The liberal approaches tended to focus on questions of whether fixed investments were capital or labour intensive and tended not to engage with questions of ownership. This led John Friedmann (1979, 607) to contend that, the liberal basic needs approaches were “mere adjuncts to main stream growth strategies ... [resulting

in] ...an emphasis on short term improvements in the consumption levels of target groups below the poverty line while the primary efforts [were] devoted to growth in GNP".¹⁰² The more radical approaches of basic needs theory explicitly focused on the extent of the structural concentration and centralisation of ownership of assets in the economy. Within radical approaches, issues of land reform and class struggle were often prominent (c.f. Sandbrook 1982). Moreover, radical approaches drawing on both insights from the 'redistribution with growth' research/agenda and informal sector studies, began to disaggregate poor people's activities in terms of the relationship to the formal economy. This provided the basis for a political economy of poverty to be investigated where class alliances between different groups of poor people and forms of the state that underpinned poverty generating strategies of accumulation, could be analysed (Sandbrook 1982, 17). However, both liberal and radical approaches within basic needs theory started to give content to critiques that centred on the quality of growth, rather than just the quantity (Thomas et al. 2000) and this was an issue that would later be developed further by sustainable livelihoods theory.

In basic needs theory, poor people's economic activities are considered disconnected from economic growth because, ultimately, the logic of survival is different from the logic of economic growth. This is particularly so, because the economic growth referred to is typically based on processes of urbanisation and industrialisation. Poor people are unable to be part of this industrialising economic growth because they are either undernourished and hence unable to work productively, illiterate and hence unskilled, or without access to water, homes, food and health care and hence often ill and unable to work consistently. In this view, they are considered to be either located in a subordinated 'informal sector' or poorly connected into the enclaves of (formal) economic growth.

¹⁰² There are strong parallels with analyses of interventions related to the informal sector. The view that the informal sector could be a source of economic growth was criticised due to the fact that it "embodied policy implications which were convenient for international organisations and politically middle of the road governments. Support of the informal sector appeared to offer the possibility of 'helping the poor without any major threat to the rich'" (Bromley 1978a, 1036 in Moser 1994, 18).

Arguably therefore, basic needs theory failed to develop the insights from parallel debates on the informal sector and the view that poor people's economic activities could be productive. Indeed the basic needs and income poverty theories pose a similar dilemma to policy-makers. For example, Hicks (1979, 985) reflects on critics of the basic needs theory who “have argued that by emphasising activities which are essentially consumption oriented, the basic needs approach implies a reduction in the rate of growth”. As in income poverty theory, the economic activities of people considered poor revolved primarily around *consumption* rather than investment and long-term production. Supporting poor people's economic activities essentially meant infinitely allocating resources to what were considered a limitless need and thereby quickly draining the country's resources without generating new wealth.

Thus in basic needs theory poor people are part of the economy to the extent that they are absorbed as labour in the formal economy and to the extent to which they have access to public services that widen their opportunities and quality of life (as measured by life expectancy, infant mortality, and literacy). The connections that infrastructure provides allow economic growth to be transmitted faster and for poor people to be absorbed quicker in processes of growth. In this way, basic needs theory is moving toward the centre of the spectrum (See Figure 2) that I outlined at the start of this section.

3.2.3 Sustainable livelihoods theory

Sustainable livelihoods theory makes a significant contribution to how poor people's economic activities might be considered to contribute to economic growth by breaking with many of the key assumptions of income poverty and basic needs theories. I suggest that to understand this contribution it is necessary to briefly review the historical development of the theory and its relationship to income poverty and basic needs theories. Sustainable livelihoods theory first

emerged in studies of rural poverty and was then developed in both urban and rural contexts (Satterthwaite and Tacoli 2002; Farrington, Ramasut, and Walker 2002). In the analysis to follow I start to focus in on the application of this theory to urban areas in anticipation of the chapters to follow.

Alongside income poverty theory, basic needs theory grew in importance during the 1970s and early 1980s. However, by the mid-1980s the adverse impact of the macro-economic Structural Adjustment Policies, advanced by the Bretton-Woods institutions, began to be recognised.¹⁰³ Structural Adjustment programmes made it more difficult for the urban poor to meet their basic needs (Tevera 1995), but basic needs theory did not seem adequate to the task of explaining how poor people were responding to these broader macro-economic changes. A new understanding of poverty was required.

Thus the emergence of the ‘asset vulnerability’ or ‘sustainable livelihoods’ approach in the early 1990s was driven by a reassessment of the viability of current approaches (Moser 1998, 1). The sustainable livelihoods approach was focused not only on the impact of impoverishing macro-economic factors, but also the capability of poor households to respond. This focus on household’s responses showed that more had to be done (that built on poor people’s activities) to alleviate poverty rather than simply reworking macro-economic policies. Essentially, sustainable livelihoods theory acted as an “antidote to the view of poor people as ‘passive’ or ‘deprived’” (Rakodi 2002b, 10) and dependent on the provision of infrastructure as basic needs theory implicitly suggested. The sustainable livelihoods approach therefore differentiated itself by starting off from a consideration of people’s activities rather than their (basic) needs. Implicit in the view that poor people are adversely affected by changes in the economy and through the focus on their activities, is the recognition that people in poverty are economically active beyond waiting to be absorbed or connected

¹⁰³ It is worth recalling that it was in anticipation of these impacts that the World Bank’s LSMS (that informed the PSLSD) had originally been formulated (Chander, Grootaert, and Pyatt 1980).

into the mainstream economy (Jhabvala, Sudarshan, and Unni 2003; Devey, Skinner, and Valodia 2004).

The work of Amartya Sen (1976; 1977) on ‘assets and capabilities’ was fundamental to this approach to poverty and was largely credited with shifting the debates about poverty away from economic efficiency to the broader realisation of human development (Callari 2004). However, it is difficult to summarise these contributions to understanding poverty, partly because the ideas of Sen himself have changed and developed over time (Fine 1997; Pressman and Summerfield 2000) and partly because his work has been taken up in a number of different ways (Corbridge 2002). I intend therefore to simply draw out a few key insights that have informed sustainable livelihoods theory.

Sen shifted the analysis away from the overall availability or scarcity of resources to an individual or household’s relationship to those resources and this led to a definition of poverty as people’s ‘ability or inability to command resources’.¹⁰⁴ He did not discard the notion of economic scarcity, but focused on people’s capacity to convert assets and resources into ‘well-being’ (Sen 1999). Crucially, this capacity was not only dependent on the level of assets, it also depended on people’s social entitlements, claims and relationships. Arguably this foregrounded the analysis of poor people’s relationships to economic processes such as growth. Sustainable livelihoods theory began to emerge when these insights from Sen were combined with Robert Chambers’ (1983) rural development work on deprivation and vulnerabilities (Norton and Foster 2001). Indeed, as will be shown later in this chapter, the rural origins of this approach continue to have important implications for its application in urban contexts (Satterthwaite and Tacoli 2002). These implications have perhaps been overlooked by the suggestion that many of the urban poor suffered more than the rural poor from

¹⁰⁴ As I noted in Chapter Two, this definition of poverty was operationalised in the SA-PPA and PIR.

the macro-economic changes of Structural Adjustment, precisely because they were caught up in a monetised economy (Moser 1998, 1996).

Added to this early work was the growing concern with green and brown environmental issues that emerged in the 1990s. The high dependence of poor households on what were already considered to be fragile urban environments was increasingly recognised by poverty researchers (cf. Hardoy and Satterthwaite 1989). The emphasis on sustainability however, also spoke to the need to make ‘irreversible’ improvements to household’s livelihoods in the context of Structural Adjustment programmes. Thus, “stimulated by the adverse impact of recession and stabilisation and structural adjustment policies on many urban groups” (Rakodi 2002b, 3), sustainable livelihoods theory is particularly framed by broader economic concerns. Philip Amis (2001, 355) describes these adverse impacts as “increases in consumer prices, limits on wage increases and public sector employment and finally a limit on spending on urban infrastructure”. This political agenda against Structural Adjustment policies has had a particular effect on how poor people’s economic activities are understood in sustainable livelihoods theory. I will return to this point later in this chapter.

Combining such a diverse set of concepts and concerns, it is not surprising that there are many different emphases in sustainable livelihoods theory (Beall 2002). As Sue Jones (2002, 10) adds, this is complicated by the interchangeable usage of the term, sustainable livelihoods, as “a tool, operational objective, set of principles, attitude, an approach or a framework”. Nevertheless, the definition of a ‘sustainable livelihood’ is generally accepted in the literature¹⁰⁵ as comprising:

“...the capabilities, assets (including both material and social resources) and activities required for means of a living. A livelihood is considered to be sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base” (Rakodi 2002c, 3).

¹⁰⁵ For an overview of different approaches see Carney (1998).

This theory of poverty has proven difficult to measure.¹⁰⁶ Perhaps because of this, the income poverty line remains a core component of sustainable livelihoods theory because “inadequate command over resources is the most important dimension of poverty and a key determinant of health, self-esteem and general welfare” (Rakodi 2002c, 4). Sustainable livelihoods theory is argued to be complementary to an income theory of poverty because, as (Rakodi 2002a, 297-298) notes, “it does not deny the importance of increased incomes ... however ... it places more emphasis on addressing non-income aspects of deprivation and increasing security.” Thus, in addition to measurements of poverty according to poverty lines, sustainable livelihoods is more interested in measuring “processes of impoverishment, increased welfare, exclusion or inclusion” than outcomes (Rakodi 2002c, 6).

Notwithstanding these links back to income poverty theory and basic needs theories, sustainable livelihoods theory is also informed by informality studies and the debates around the ‘informal sector’ discussed earlier in this chapter (Beall 2002). In the South African context, Dave Dewar and Vanessa Watson (1991) suggest this is because the people involved in informal activities are generally, though not exclusively, in the poorest strata of society. Internationally, the informal economy is now also commonly regarded as the primary site for poor people’s economic activities (Moser 1998). Understandings of the informal economy therefore acts as a backdrop to sustainable livelihoods theory and the possibility that poor people’s economic activities could be productive acts as a key force in making it possible to consider how these activities could contribute to economic growth.

¹⁰⁶ Susan Parnell, Interview 23/07/04.

Representations of poor people's economic activities in sustainable livelihoods theory

It is in sustainable livelihoods theory that poor people's economic activities are considered most broadly and diversely and thus move the debate about poor people's economic activities contribution to economic growth further along. Ultimately, however, the theory retains the inability to consider poor people's economic activities as contributing to economic growth, but in different ways from both income poverty and basic needs theories.

Sustainable livelihoods theory has introduced many key insights that I will build on in Chapter Six to work towards making poor people's economic activities 'visible' and 'sayable' as contributing to economic growth. Sustainable livelihoods theory seeks to restore agency to the poor, rather than regard them as passively defined by a poverty line arbitrarily set by external, non-poor experts (Rakodi 1995, 411). The main assumption and belief underlying this theory is that households aim to secure their own livelihoods and that each household has a set of assets. This security is achieved through households making choices about how to use their "portfolio of assets" (Rakodi 2002b, 6). The strategies that are open to a household depend on their portfolio of assets and their capabilities to use them.¹⁰⁷ Thus, this approach to poverty has arguably broadened the concept so that "poverty is not only seen as a lack of assets and an inability to use them, but also as a lack of choice with respect to alternative coping strategies" (Rakodi 2002b, 6). The lack of choice forces the poorest to adopt strategies that enable them to survive but not improve their welfare (Rogerson 2001).

Sustainable livelihoods theory has been paralleled by the development of concepts of informality associated most commonly with Hernando de Soto (1989, 2001 #545). There are points of commonality between sustainable livelihoods

¹⁰⁷ Beall (2002, 72 emphasis in the original) cautions that it may be "helpful to move away from the notion of the poor as 'strategic managers of complex asset portfolios' to have a wider conception of the *resources* that people need to *access* in the process of *composing* a livelihood".

theory and de Soto's views that are important to note, even if de Soto's views are only just beginning to penetrate South African development debates. Both sustainable livelihoods theory and de Soto's views are strongly informed by understandings of neo-liberalism. However, while sustainable livelihoods theory regards neo-liberal processes as problematic, de Soto (2001) generally regards these as a positive processes. Sustainable livelihoods theory and de Soto also focus on poor people's assets. But while, sustainable livelihoods theory tends to call for new forms of intervention to protect poor people's assets, de Soto (1989; 2001) advises that poor people's assets can best be developed through processes of deregulation, debureaucratisation and privatisation of public resources (Bromley 1994). Thus, despite the commonalities and in general, de Soto's views have not been accommodated easily within the sustainable livelihoods theory of poverty and will not be considered further in this study.

The theory points to a diversity of economic activities that also have cultural meaning for poor people engaged in them rather than just a focus on waged income (Bebbington 1999). While income poverty and basic needs theory focus primarily on poor people's labour as their only asset, sustainable livelihoods theory broadens out the range of economic assets that poor people potentially access in securing their livelihoods. This includes different forms of 'capital' such as natural, financial, social, human and physical as well as the claims and entitlements to these different forms. Sustainable livelihood theories attempt to locate these claims in a broader context although a criticism of the approaches drawing on this theory is that a balance between a focus on household livelihoods and the broader context is not always achieved (Rakodi 2002a). Sustainable livelihoods theory also does much to include poor people's economic activities, building on insights from informality and the working poor (Beall 2002, 75). This leads Rakodi (2002b, 7) to note that:

“...economic activities form the basis of household strategy, but to them, and overlapping with them, may be added migration movements, maintenance of ties with rural areas,

urban food production, decisions about access to services such as education and housing, and participation in social networks.”

Sustainable livelihoods theory recognises that poverty has multi-dimensional facets and is not a static condition (Rakodi 1999). It also incorporates notions of deprivation and vulnerability. Yet, despite these advances in understanding poor people's economic activities as contributing to economic growth, the theory tends to rely on a very conventional understanding of economic growth.

Comparing activities associated with economic growth and poor people's economic activities: strategies of inclusion

In sustainable livelihoods theory, the state of the economy determines the economic opportunities available for livelihoods. Economic growth is understood to be ‘transmitted directly through the labour market’ (Rakodi 2002a, 288). By implication this assumes that, first, economic growth initially excludes poor people’s economic activities and second, that it happens somewhere else and then moves, expands or contracts to, or from, poor people through the labour market – seemingly independently of poor people’s abilities to affect or engage in altering such ‘transmissions’ (Amis 2002).

It is also recognised that growth in manufacturing or services industries benefits poor people both directly and indirectly. These national growth processes are, in turn, shaped by processes of globalisation. The focus on globalisation as an economic process stems from the political critique that motivated much of sustainable livelihoods theory in the first place, as noted above. This tends to have the effect of narrowing the view of poor people's economic activities and returning to a view of poor people as passive in the face of processes of globalisation. The view of economic growth that emerges is therefore concerned as much with the *quality* of growth as the *rate* of growth (Osmani 2004). It is

recognised that economic growth can be as harmful as beneficial and a dominant concern is reflected in the notion of 'pro-poor' growth (Ravallion 2004).

Notwithstanding the evidence that poor people's economic activities are often more than local (MacGaffey 1991; Peberdy 2000), in practice the view that generally prevails is conveyed by Sheila Meikle (2002, 37) that "the livelihoods of the poor are determined predominantly by the context in which they live and the constraints and opportunities this location presents". This has the effect of confining the activities of poor people to a particular location in comparison with forms of economic growth that stem from processes of globalisation. Although sustainable livelihoods theory recognises the existence and diversity of economic activities, they are generally too small and bound up with the fortunes of the informal economy to impact on global forces.

Ultimately, the livelihood strategies of people in poverty are "determined by household, intra-household and community factors" (Moser 1998, 2). Added to this is the concern with household security and self-sufficiency that is inherited with the development of the theory in a rural context and which serves to reinforce a view of households as discrete entities. Consequently, sustainable livelihoods theory tends to be consistent with income poverty and basic needs theories of poverty by locating poor people's economic activities in the household rather than the economy¹⁰⁸ and limiting the output of these activities. This assumption disconnects the logic of livelihood strategies from the homogenous space of the economy – whether it is an accurate assumption or not. There is no sense in which a secure livelihood contributes to economic growth except by means of not disrupting the prospects for economic growth.

Drawing on studies of the informal economy, poor people's economic activities have been *included in* an understanding of the formal economy. However, the

¹⁰⁸ Despite an awareness of the problems of treating the 'household' as the appropriate unit of analysis, the household has remained the "site of poverty" in South Africa (May 1998): for more general critiques see Beall (2002) and Rakodi (1995).

informal economy has been added on to the formal economy without questioning the expansive assumptions associated with the formal economy. Since the informal economy is thought of as not fully part of the formal economy (Sudarshan and Unni 2003), poor people's economic activities still remain at one remove from activities associated with economic growth. Cameron and Gibson-Graham (2003, 151) highlight this fact by stressing that although poor people's economic activities are recognised and might be counted, they remain locked in a subordinate position in relation to the formal (capitalist) economy and it is difficult to extrapolate a positive politics of transformation.

The separation of poor people's economic activities from economic growth, albeit in a different form, results in sustainable livelihoods focusing on similar themes of how to absorb and connect poor people's economic activities to economic growth.

3.3 The consequences for poverty research

I would like to draw attention to one very important consequence for poverty research that emerges when income poverty, basic needs and/or sustainable livelihoods theories are drawn upon. This is that these theories have to gloss over an assumption that poor people's economic activities are disconnected from processes of economic growth. I suggest that two effects follow from this.

The first effect is that the ways in which poor people's economic activities are considered to be outside, disconnected and/or excluded from processes of economic growth is taken for granted by researchers. As a result, the underlying assumptions about poor people's economic activities, the concept of economic growth, and the relationship between the two entities are also taken for granted. As I have argued, the reason that poor people's economic activities are not considered to be able to contribute to economic growth is because they are

perceived as conceptually different from other kinds of activities despite the initiatives within basic needs and sustainable livelihoods theories to focus on the productivity of poor people. It follows that this conceptual difference must be based on an understanding of inherent differences between the categories of poor people's economic activities and activities which contribute to economic growth. The identification of the essential qualities of these two categories enables the activities to be considered both different and separate. As I will suggest in Chapter Six, such a view of economic activities is unhelpful and as Barbara Harriss (1992, 339) provocatively notes, "the attempt to explain the rationality of investment strategies of the poor does not require them to be attributed with a separate 'culture of poverty', but does require a reconceptualisation of productivity."

The second effect is that poor people are disabled from making *immediate* claims on the results of economic growth and divorced from participating directly in arenas that (re)distribute such results as may be produced. This is because the right to claims on the results of economic growth and to participate in distributing these results are considered to fall first and foremost to those who are perceived as having contributed directly to it. The line of reasoning that progress depends on those who 'work' is considered fundamental to the constitution of, and participation in, modern liberal democracies and the welfare state (Dean 1991; Miller and Rose 1990; Walters 1994). The consequence for those not regarded as contributing to societal progress, is that the state, elites and indeed poverty researchers are introduced to adjudicate on which of the claims made by poor people are legitimate. As Green (2003) notes, the right to define which claims are legitimate also tends to generate the right to police these claims. The contestation around these claims is often clearest in the formulation of policies related to poverty reduction and in the following chapter I examine some of this contestation in the case of Durban.

3.4 Conclusion

This chapter has continued to focus on the partiality of representations of poverty. In particular, I focused on the relationship between poor people's economic activities and economic growth put forward in theories of poverty. I noted that theories of poverty do not consider poor people's economic activities as able to contribute to economic growth. I suggested that one of the reasons why theories of poverty represent poor people's economic activities as not contributing to economic growth is because these activities are represented as, at least initially, conceptually divorced from economic growth. This arises because poor people's economic activities are categorised differently from the activities associated with economic growth. The difference is based on assumptions about the respective logic or dynamics, types of activities, sizes and scales and locations of both sets of activities.

Each of the theories of poverty made poor people's economic activities 'visible' and 'sayable' in different ways and emphasised different aspects of a generic understanding of economic growth. Consequently, the possibility of poor people's economic activities contributing to economic growth was different in each of the theories. I suggested that income poverty theory was least likely to see poor people's economic activities as contributing to economic growth because these activities were firmly located 'outside' processes of economic growth. The perceived problem here is that poor people's economic activities lie outside the formal economy; as a result the dominant solution is to investigate ways in which poor people's economic activities can be *absorbed* into the formal economy through formal employment.

Basic needs theory tends to imply that poor people's economic activities could contribute to economic growth if these activities were not disconnected from the mainstream economy. However, the emphasis on basic needs and 'survival' also

tends to suggest that poor people have very little capacity to engage in productive activities that could contribute to economic growth. What is clear is that if basic needs are to be met, the structure of the economy requires change. In basic needs theory, a dominant solution of *connection* through the provision of infrastructure or recognition of citizenship is added to the theme of absorption.

Sustainable livelihoods theory generally advances a pessimistic view of economic growth by identifying the impacts of new forms of neo-liberal economic growth on poor people. Simultaneously however, sustainable livelihoods theory suggests that poor people's economic activities are productive, strategic and involve managing a broad range of assets in securing livelihoods. Sustainable livelihoods theory advances the possibilities of considering how poor people's (informal) economic activities could contribute to economic growth by locating poor people's economic activities in the informal economy and suggesting ways in which their activities could be *included* in the formal economy. Despite the advances offered by sustainable livelihoods theory, however, a problem remains because the informal economy is considered subservient to the formal economy. Indeed, as Sudarshan and Unni (2003, 21) note in respect of the informal economy "the driving force of the economy is not to be located here." This begs the question: where is the driving force of the economy located?

In this respect, I suggest that a shift to an urban case study is particularly useful in considering how poor people's economic activities are made 'visible' and 'sayable' in relation to economic growth. It is important to return to the insights developed by basic needs theory and think these through the lens of urban poverty and, as I will argue in the next chapter, cities have increasingly become regarded by policy makers as the primary sites of economic growth. The focus on cities has also highlighted the modes of government best suited to promote economic growth as a means of alleviating poverty (Devas and Rakodi 1993). As Rogerson (2001, 343) has noted, the challenge of poverty in South Africa has been conceptualised as "mainstreaming ... policy interventions at all three tiers of

government.” However, local government in South Africa is considered to have a particular responsibility in responding to the perceived needs for economic growth and poverty reduction (Mogale 2005; Scott 2002). Cities, then, bring together a policy emphasis on economic growth and a range of institutional practices relating to poverty reduction. Attending to poverty politics in cities, I want to suggest, has the potential to generate alternative perspectives of how poor people's economic activities might be made ‘visible’ and ‘sayable’ in relation to economic growth. The following chapters elaborate on these issues.

four

Institutional poverty practices in post-Apartheid Durban

The relationship between poverty (reduction) and economic growth is often presented and understood as self-evident in the context of cities, particularly those in ‘developing countries’. However, over the course of this chapter and the next, I aim to explore how local *poverty practices* shape specific understandings of the relationship between poor people's economic activities and economic growth. This chapter sets out how understandings of poverty and the role of economic growth in alleviating poverty both informed, and were driven by, a range of local institutional activities in Durban. The period 1996-2001 represents an important historical moment in the sense that local government in South Africa was undergoing profound transformations as to its purpose and objectives. Key to this transformation was the formulation of a vision for the future equitable development of the city in which poverty alleviation and economic growth were central.

However, poverty and economic growth were not the only priorities that were central to the formulation of this new long-term development vision. Another important issue was addressing the vast disparities and inequalities in infrastructural provision and social services that remain at the core of local government responsibilities in post-Apartheid South Africa. What was clear in 1994 was that a post-Apartheid local government would face a situation where there were vast disparities and inequalities in income, access to infrastructure and services, and access to social facilities and amenities such as education, health and security and protection. What was not as clear was how to address

these disparities and inequalities most effectively and efficiently (Parnell 1997). In the words of a Durban senior city manager at the time, the future development of the city “could have gone in any direction”.¹⁰⁸

There are two reasons why shifting the focus of this study from broader processes of defining and theorising poverty to the specificities of local politics in a city such as Durban is useful. On the one hand, an analysis of a city – as a site of institutional poverty *practice* – deepens our understanding of the construction of dominant accounts of poverty already considered at a national South African level. On the other, the city – as a primary site of economic growth – has to be central to any examination of the relationship between poor people's economic activities and economic growth. This is because the growing emphasis on the role of economic growth in alleviating poverty in South Africa, and at the international level, has occurred in tandem with an increasing tendency to represent cities as the primary sites of this growth (Grant 2004; Meikle 2002; DfID 2001).

There is also good reason to focus on Durban as a site of institutional poverty practice. There is little doubt that poverty was an important issue for policy makers in the city during the 1996-2001 period (see for example eThekweni Municipality 2003, 2002; Monitor Group 2000; Nicholson 2000; eThekweni Municipality 2001; Khosa and Naidoo 1998; Freund and Padayachee 2002; Durban Metropolitan Council 1996). Indeed, policy researchers have made considerable inroads to incorporating poor people's activities into understandings of the local economy. In addition, Durban's local government has a long history of intervening in the economy to support particular forms of economic growth (Freund 2002a) and a strong public commitment to redressing the inequalities of the Apartheid era which coalesced into policies to address poverty (eThekweni Municipality 2001, 2002).

¹⁰⁸ Vidhu Vedalankar, Interview 29/07/04.

Understandings of poverty in Durban emerged in the context of analyses of a series of problematic and overlapping historical racial, political, and economic processes. As such, the understandings of poverty came to serve as a reference point for a profound set of socio-political changes in local government and urban development activities in the immediate post-Apartheid period, and offered an important frame of reference for policy makers engaged in formulating a new development approach for Durban. Inevitably, however, the inscription of poverty at the centre of a series of overlapping problems meant that a range of (institutional) activities and actors contributed to the understanding of poverty as a policy priority. I will argue, therefore, that how poverty is understood by local policy makers is constituted and mediated by a series of activities that go beyond poverty research. Thus, these broader activities were involved in shaping, stretching and inflecting the ultimate approaches to poverty reduction that were cohered in the long-term development vision to address the legacies of Apartheid in the city.

I use some of the key issues and concerns identified through interviews with senior officials, academics, and consultants, and close readings of texts, to draw through and highlight how understandings of poverty both informed, and were driven by, a series of institutional activities. From a diverse range of activities, I present four different ways in which poverty came to be understood as a policy priority. These are in relation to the activity of governing and managing the city, the economic growth of the city, the spatial form and urban development of the city, and the discourses and materialities of poverty itself. I suggest that each, in their own way, was perceived by policy-makers as in need of change during the period I am reviewing (1996-2001) and addressing poverty was an important dimension to these changes.

4.1 Poverty as a frame of reference for local government transformation

In this section I examine how poverty came to be understood by Durban's municipal policy makers as an issue around which to anchor broader and comprehensive local government and urban development changes. I reflect on the understanding of the effect of Apartheid and how this meant that new local government needed to change the form of the city and the administration bound up with this form in order to reduce poverty.

In Chapter Two, I drew attention to the wide acknowledgement of Apartheid as a major cause of South African poverty. By 1996, the Carnegie Inquiry and PSLSD, in particular, had contributed to a general view of the different ways in which Apartheid and poverty were linked. The Carnegie Inquiry had been particularly effective in demonstrating the involvement of the Apartheid government in creating South African poverty. The PSLSD in turn, had quantified how Apartheid had both racially and geographically distributed resources so unequally. In 1994, the process of dismantling the Apartheid state had begun at national and provincial levels and this chapter will chart the last stage of this transformation process as it unfolded at the local level in Durban. Despite the *de jure* removal of Apartheid and the transformation of the state, poverty remained as a tangible impress of Apartheid, embedded within the form of the city and systems of local government that produced and maintained the city. Given the importance of Apartheid, I begin by describing how it contributed to the extent of poverty locally and shaped the urban form and system of local government. In the conclusion to this section, I will show how the legacy of Apartheid provided an understanding amongst local policy-makers of the developmental challenges inherited by Durban's first democratic local government.

4.1.1 *Apartheid*

The ways in which Apartheid contributed to urban impoverishment and immiseration in South Africa have been well documented.¹⁰⁹ Susan Parnell (1998) has summarised these processes in a background paper for the urban theme of the national Poverty Hearings.¹¹⁰ Rather than repeat these at a general level, I draw upon Parnell's key points and flesh out the details with examples generated through a participatory timeline exercise in Inanda Newtown Section C-Extension – the field site where the data for the analysis of Chapter Six was generated.¹¹¹ C-Extension will be introduced in detail in Chapter Six. For the moment I note that prior to 1996 the area was governed by the KwaZulu administration although it was socially and functionally part of Durban.

In the timeline exercise, the participant's earliest memories reach back to 1967. From this period, the jurisdictional boundaries have shifted many times over what is now C-Extension.¹¹² Until the redemarcation of local government boundaries in 2000, this was mainly because of the (ultimately) futile attempts of the Apartheid planners to make racial segregation 'work'. Jennifer Robinson (1998, 533) observes how the implementation of Apartheid was based on a "conception of space as homogenous, divisible, empty, able to be filled with social content, to be demarcated and subdivided". The Apartheid planners' lack of concern for Black people's lives and livelihoods shows how this view of space was mobilised in their utter disregard of the consequences of designating and re-designating racially exclusive areas of the city.

¹⁰⁹ See for example, Lemon (1976), Robinson (1996) and Swilling, Humphries, and Shubane (1991).

¹¹⁰ See also Parnell and Mosdell (2003).

¹¹¹ Details of this exercise are provided in the Methodological Appendix (Appendix 1).

¹¹² In 1967 the area was known as Ntuzuma and governed by the traditional leader Inkosi Ngcobo. As a result the land would ultimately have been owned by the South African government but locally allocated through a traditional system of communal ownership overseen by the *amakhosi*.

In 1969, the South African government forced the residents of C-Extension to move to nearby areas of Mzinyathi and Machabeni. Such racist forced removals contributed to urban impoverishment because they “destroyed urban economic enterprises; increased costs because new housing was far from town; [and] disrupted established community structures” (Parnell 1998, 4).¹¹³ The area of C-Extension was then re-allocated to Indians who began to farm the land and allowed the previous African residents to return to ‘their’ land as ‘caretakers’. This arrangement prevailed through the 1970s. An important year in this period was 1975 with the formation of Inkatha Yenkululeko Yesizwe (IYY) – the organisation to become the Inkatha Freedom Party (IFP) in the post-Apartheid dispensation.

In the arcane logic of the Apartheid city, there were restrictions on where Black people could seek employment. Residents of C-Extension perceived that their chances of finding employment were better to the north of the Umgeni River rather than anywhere else. Thus unfair conditions of work contributed to impoverishment because Black people were geographically restricted, by law, to low wage, unskilled jobs which meant that their earning power was limited. Parnell (1998, 5) points out that even when job reservation legislation was removed, “Africans struggled to compete because of poor educational levels associated with inferior segregated education”. In addition, restrictions on trading and commercial activities meant that Black people found it difficult to create significant economic opportunities for advancement.

In 1981, the government again tried to forcibly remove people from the land because Black people were considered to have re-settled on the land illegally. The government destroyed people’s houses and if they complained, they were

¹¹³ More generally in Durban the implementation of the Apartheid city meant the forced removal of African, Indian and Coloured households to locations on the periphery of the city such as Umlazi (African), Chatsworth (Indian) and Merebank/Wentworth (Coloured) to the south of the city. While to the north, Inanda, Ntuzuma and KwaMashu (African), Phoenix (Indian), and Newlands (Coloured) served the same function (cf. Freund 1995; Maylam and Edwards 1996).

arrested. The women and children moved away. In the process of the attempting to remove people, the government punitively destroyed the local communal water points that had been provided over time. Through spontaneous collective action by women residents of C-Extension, the authorities were compelled to restore the water supply. This experience still acts as a touchstone for community power and unity today.

A year later, the government repeated its attempt to forcibly remove the Black residents from the land. Well-publicised community protests followed which led to arrests of some of the men and threats that, unless the community co-operated, they would be ignored in infrastructural development terms and forfeit their right to the future provision of shelter and services. Through widespread community protests, the residents resisted this attempt of forcible relocation. Parnell (1998) records how, the lack of infrastructural services, peripheral location and racial fragmentation of urban areas contributed to high costs of Black household's expenditure. The peripheral location of areas such as C-Extension and other townships increased household transportation costs for Black people.

The Apartheid manipulation of urbanisation patterns and processes created inequalities within urban areas as well as between urban areas and forcibly disconnected Black people from economic activity in the cities. Influx control regulations restricted Black people's range of choice as to where they could live and work. These regulations also prevented Black people from taking advantage of the better opportunities that arise in urban areas and confined them to homeland areas or shuttling between urban and rural areas. In most cases, the Bantustans were located a considerable distance from the major cities. Durban was unique among South African cities in that the Bantustan of Kwazulu abutted the city boundaries (See Figure 3 for the distribution of racial groups with the Durban area). Dan Smit (1997) observes that this allowed the formerly-white

Durban local government to neglect the poor, Black population growing on the city's doorstep through observance of the token administrative independence of Kwazulu. Moreover, the ring fencing of urban administration and financing within racial groups disabled the equalisation of infrastructural investments through systems of cross-subsidisation between richer and poorer parts of the city. The result was that there were vast differences between the high rates of expenditure on infrastructure and services in white areas and low expenditure in black areas (Ahmad 1995; Beall, Crankshaw, and Parnell 2000). The effect was to exacerbate the skewed differentials in household expenditure over time such that residents of informal settlements and poorly serviced townships, who are almost 100 per cent Black, often incur the highest costs for basic need such as water and energy (BESG 1999).

Terrible conflict swept through the northern areas of Durban including C-Extension in 1985 as Black residents fought Indian residents for rights to land (Hughes 1987; Hindson, Byerley, and Morris 1993; Sitas 1986). Indian landowners fled the area and were relocated in nearby Phoenix by the government. As the conflict subsided, C-Extension was declared a formal African township by the Kwazulu administration and the construction of roads began in 1986. This was followed shortly thereafter by the construction of four room houses with dirt floors. As Parnell (1998) notes, restrictions on urban housing supply and the poor quality of the housing stock negatively affected the urban productivity and performance of Black people and their families. Furthermore, apartheid laws restricted Black households from investing in their urban property.

In 1988, the wider area of Newtown C in Ntuzuma established a branch of the United Democratic Front (UDF)¹¹⁴ despite the area being 'governed' by an IYY

¹¹⁴ The United Democratic Front was an organisation that brought together student and youth organisations, civic organisations, trade unions, women's organisations and church groups. The organisation was initially formed in protest against the tricameral 'reforms' introduced by the

councillor linked to the KwaZulu administration. Tensions were building between the conservative IYY and the anti-Apartheid movements. The residents of C-Extension recalled that when fighting broke out on 4 April 1988 between the IYY and UDF many houses in the area were burnt. The small river between C-Extension and neighbouring Section B emerged as a boundary between the UDF and IYY factions. Young men from C-Extension who attended school, were considered as belonging to the ANC and they were no longer safe in their homes from attack by IYY supporters. As a result, young men in particular had to move away from the area, or at least out of their homes, for fear of being killed. A ferocious and often indiscriminate war was waged between the supporters of the UDF and the IYY. With all the violence, all the residents had to leave their houses.¹¹⁵

Tentatively, residents began to return to C-Extension in 1990 but violence and state repression continued to erupt and spill over into the area. The 'civil war' that Francis Wilson and Mamphela Ramphele referred to in the Carnegie Inquiry not only created political chaos but meant that Black people "literally, paid to get rid of Apartheid" (Parnell 1998, 5). The ANC established a local branch in 1990 and in 1991 the local residents insisted on the UDF and IYY convening peace talks. However, the establishment of peace at a political level meant that a new form of violence emerged. During the fighting between the interests aligned with the UDF and IYY, the residents of C-Extension were protected by a 'defence group'. In return for protection and support against other political groups, the residents provided members of this 'defence group' with food and other resources for their sustenance. The resolution of political fighting meant that the 'defence group' were no longer needed or supported by the residents. Without a means of surviving and little chance of employment, the members of the 'defence group' turned to crime and focused their attention on local communities. It took

Apartheid state in 1983 but grew to become a key internal organisation co-ordinating the anti-Apartheid struggle.

¹¹⁵ The effects of this violence continue to be in evidence today, as a significant proportion of the allocated plots and some dwellings in C-Extension remain unoccupied.

a bitter and violent struggle for the community to restore order. The prolonged cost of liberty and peace was sometimes death and often emotional scarring (cf. Jeffery 1997). Thus, while poor (Black) people may no longer be being displaced through Apartheid, the effects of years of systematised forms of racial discrimination cast a long shadow over the future of South Africa's cities (May and Rogerson 2000; Freund 2002b; Naudé and Krugell 2004).

From 1992, the community history is more peaceful and records an impressive list of associational activities and provision of 'basic needs' and amenities.¹¹⁶ This associational activity appears to have contributed to the stability of C-Extension and has meant that violence and uncertainty characteristic of neighbouring areas has been avoided.¹¹⁷ Despite these more peaceful times, the effects of Apartheid have literally been cast in the physical fabric of fragmented urban forms. In Durban, the geographic effects of Apartheid are often described as resulting in an inverted T-shape of urban privilege (See Figure 4).

To give some indication of the extent of this legacy of impoverishment a 'Development Profile' of Durban, drawing on data six years after the first democratic local government elections, showed the following service and infrastructural backlogs against 'basic' levels of service provision and not the 'full' level historically provided to White areas of the city (see Table 1).

¹¹⁶ Liz Thomas (2002) has highlighted the importance of associational activity in development processes in a neighbouring informal settlement.

¹¹⁷ For an in-depth account of unsettling micro-politics in a neighbouring area see Kaarsholm (2003).

Table 1. Extent of service delivery backlogs of basic needs

Household Service	Backlog¹¹⁸	% of households¹¹⁹
Sanitation	212 000 households	30
Roads	165 000 households	23
Stormwater	157 700 households	22
Housing	175 000 households	25
Water	144 600 households	20
Energy	130 000 households	18
Solid waste	46 604 households	6

Source: eThekweni Municipality (2002, 17)

Threaded through this history and the broader points Parnell draws attention to, are three important overlapping understandings that relate to poverty. The first is that although both race and poverty are powerful issues in their own way, the overlap in Durban is important in explaining the rise of poverty on the local government's political horizon in a post-Apartheid era. Poverty and racial discrimination coincided and later studies would confirm that 67 per cent of those who are poor in Durban are Black (eThekweni Municipality 2002, 19). The second is that urban poverty is often thought of as spatialised and concentrated in informal settlements, townships or slums (BESG 1999; Makhathini, Pather, and Seedat 2002). Thirdly, that the peripheral townships such as C-Extension are perceived as 'dormitory areas' that have little potential for economic development (Harrison, Todes, and Watson 1997). One of the spatial solutions mooted in the face of this sprawling, segmented urban form was to 'compact' the city and develop it at higher densities in order to integrate poorer areas and populations.

¹¹⁸ The calculations of these backlogs are based on 'basic needs' rather than the full service levels historically provided to privileged (White) areas of the city. The following example illustrates the difference between 'basic needs' and full service provision: a basic level of sanitation equates to a Ventilated Pit Latrine and a 'full' level of service is waterborne flush toilets (see eThekweni Municipality 2002, 17). Thus, if the backlog calculations were based on 'full' levels of service provision they would be much higher.

¹¹⁹ The percentages are calculated against an overall total of 707,350 households (eThekweni Municipality 2002, 14).

This all contributed to a local understanding that poverty in the city needed to be addressed, that the spatial form which contributed to and was part of this poverty needed to change, that certain parts of the city were more productive than others and that the racialised and fragmented form of governing and managing the city was bound up with this spatial form and needed to change as well. It should also be noted that policy makers' views of poor people also changed during this process. Beall et al. (2000, 833-834) have characterised these changes as policy makers initially seeing poor people as 'victims' of Apartheid, to 'villains' responsible for illegal practices that circumvented municipal regulations, and finally as 'fixers' capable of participating in community based projects in the post-Apartheid period.

4.1.2 *The lack of economic growth*

At the same time as policy makers recognised that the spatial form and system of governance needed to change there was a growing popular sense that Durban's economy was struggling (Freund and Padayachee 2002). The last year that the national statistical office collected economic growth statistics at city level was in 1994. At this point the growth rate in 'output' had measured 1.8 per cent (Monitor Group 2000, 5).¹²⁰ This was well below the estimated population growth rate and hence, intuitively contributed to a growing sense of alarm that the formal economy was not growing fast enough to generate enough wealth and opportunities for the expanding population.¹²¹ Local government departments researched a range of issues in an attempt to understand economic growth (or its absence) in Durban. An important department in co-ordinating and commissioning this research was the Metropolitan-level Economic Development Department (EDD) that I will discuss in detail below (cf. Hindson and

¹²⁰ South Africa's GDP growth rate was measured at 2.3 per cent for 1994 using 1990 as a base year and using market prices (Central Statistical Services 1995).

¹²¹ Aman Maharaj, Interview 9/06/04.

Ngqulunga 2002). This research suggested that relative to other cities in South Africa, Durban appeared to be in decline.

Reviews of retailing statistics revealed that while Durban's share of national retail spending had grown, relative to South Africa's other cities it was decreasing.¹²² The EDD undertook a survey of 100 firms in the southern Industrial basin in 1997 that indicated that local companies were shedding labour. EDD looked to property investment statistics that recorded that Durban was capturing less property investment relative to other cities. The Port is a central component of the Durban economy and an indecisive atmosphere around future investments and improvements exacerbated accounts of underperformance in terms of cargo volumes being delayed or decreasing (Jones 2002). The national 1996 Census also revealed "Durban had some of the most impoverished clusters, not just in the Province, but in the country".¹²³ And, perhaps most visibly, there was a growing sense that Durban was losing its status as a premier tourist destination. However, Robbins notes that there were some parts of Durban's economy that were growing albeit at very low rates that were "not significant enough to lift overall growth levels up".¹²⁴

When this economic data was added to anecdotal evidence of new developments occurring in Johannesburg and Cape Town, "Durban looked like it was losing out".¹²⁵ Indeed, Durban could show little progress on creating jobs and growth in the manufacturing sector, very few new tourists coming to the city and very few households were escaping the poverty that was attributed to the legacy of Apartheid. The result was that it was understood that "Durban was faced by these twin pressures. The one of decline of the economy and [the] problem of a

¹²² Glen Robbins, Interview 14/06/04.

¹²³ Glen Robbins, Interview 14/06/04.

¹²⁴ The manufacturing sector remained significant, the financial sector was showing some growth. There was growth in the auto components and paper and pulp sectors. The chemical sector was boosted by the investments of companies such as Dow Chemicals and Bayer (Glen Robbins, Interview 14/06/04). The point about this growth was that it was stimulated by national policies rather than local (Durban) initiatives and points to national level influences on local growth.

¹²⁵ Glen Robbins, Interview 14/06/04.

significant proportion of the population *out of contact* with the economy in any real way” (my emphasis).¹²⁶

In sum, poverty was understood to be a complex result of systematic deprivation and neglect concretised in the form of the city and expressed through management of the city. The perceived absence of economic growth posed a serious problem to the city leadership as to how to reduce poverty and develop the city. At the dawn of the post-Apartheid era there was little disagreement that poverty was an overwhelming problem for the city, that local government needed to change, that the city form needed to be integrated, and that the economy was not performing as well as needed.

4.2 Activities to reduce poverty

Poverty had emerged as an important political issue in post-Apartheid local government. But the ways in which it was to be addressed came to be understood through a series of institutional processes related to changes in Durban’s local government. Some of the important activities linked to the restructuring of local government are analysed below along with some key trends in poverty research, approaches to development, and local politics. The aim of this section is to highlight a diverse range of activities that contributed to poverty coming to be understood as a policy priority in Durban.

4.2.1 Restructuring local government

Following the first national elections in April 1994, seven of South Africa’s nine provinces held their first post-Apartheid and democratic local government

¹²⁶ Interview, 14/06/04.

elections on 1 November 1995. Due to provincial political dynamics about demarcating new political boundaries the Kwazulu-Natal and Western Cape Provinces convened their elections about six months later on 26 June 1996. In Durban, over forty separate government units were restructured into a two-tier system of metropolitan-level and six local-level governments. This established the Durban Metropolitan Council and six local councils. Each tier had their elected representatives. The new local government boundaries cut across the previous racial boundaries established under apartheid (see Figure 5).¹²⁷

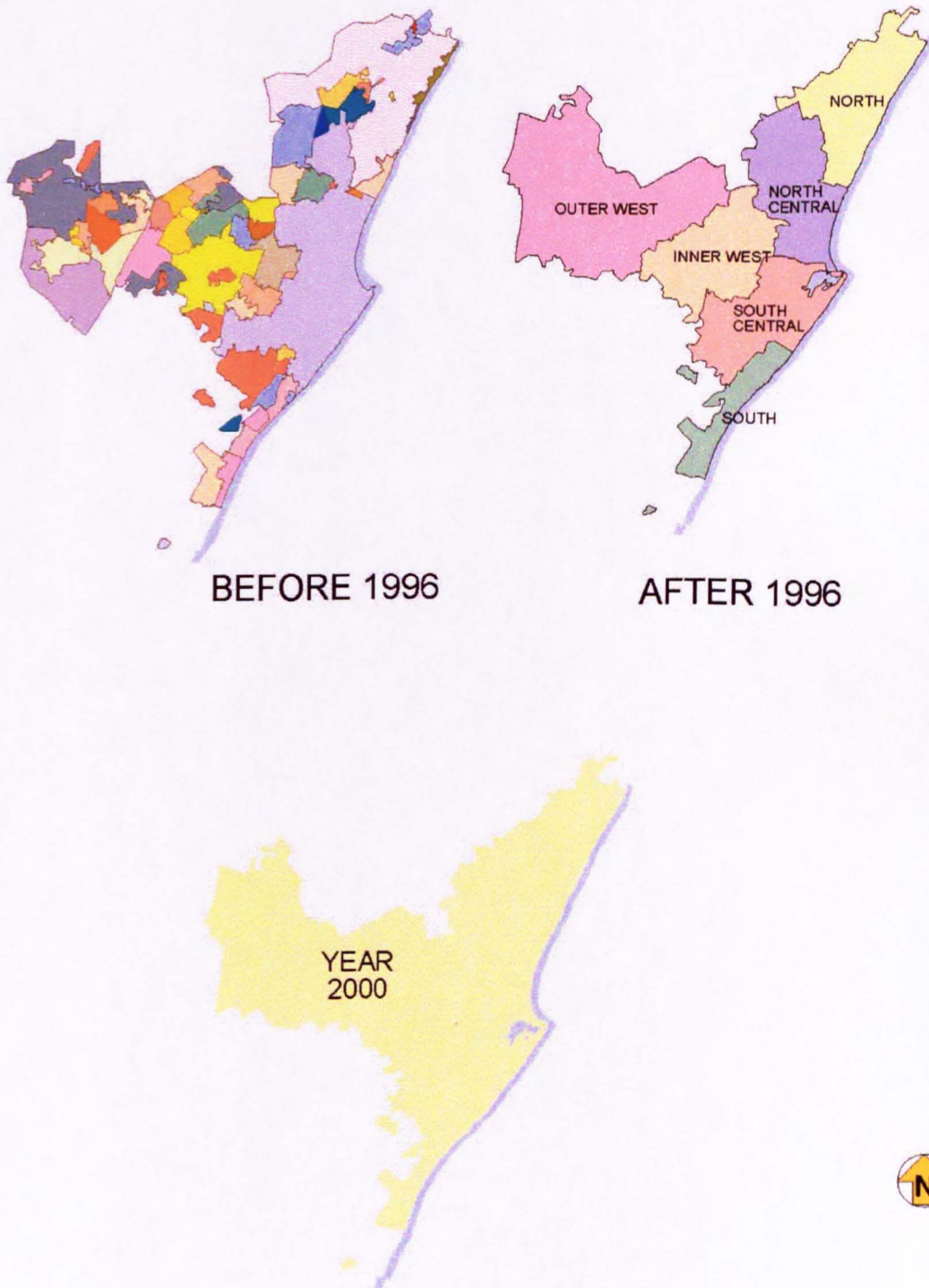
A metropolitan level of government was established with limited metropolitan powers after the first local government elections in 1996. From this time until the Unicity elections in December 2000, Metropolitan councillors were elected on a proportional representation system based on political party lists. Councillors on the local councils were elected on a ward basis. This distinction is important because the newly elected (generally Black) councillors in the local councils tended to feel more accountability to their constituency's needs while the Metropolitan councillors arguably adopted more of a city-wide view.

The co-existence of, and conflicts amongst, metropolitan level and sub-metropolitan government elected representatives will emerge as a key dynamic later in the chapter. However, for now I merely point out that this 'transitional form' of local government pended the final transformation of the apartheid government system when a single metropolitan government was established in local government elections in December 2000.¹²⁸

¹²⁷ Ultimately even this configuration was enlarged in the Redemarcation process (See Figure 6).

¹²⁸ The 'transitional' stage of local government transformation refers to the period 1996-2000 and is different from the transitional phase in South African politics identified in Chapter Two.

Figure 5. Changes to local government in Durban in 2000



Source: (Urban Strategy Department n.d.)

Bill Freund (2002a, 27) observes that this restructuring was the “product of several years of negotiation and tentative institutional change”. This observation highlights the difficulties posed by engaging in institutional restructuring as well as the need to account for longer and more complex histories in examining institutional poverty practices in Durban.

Nevertheless, during this ‘transitional period’ various forces came together in anticipation of the finalisation of the form of local government and transformation of the Apartheid state in general.¹²⁹ A metropolitan-wide authority that transcended the racially fragmented government was generally considered to provide significant possibilities for social change and redistribution. It was these possibilities that motivated progressive scholars and activists to get involved in issues surrounding local government restructuring.

One of the most important priorities for this newly elected leadership at both metropolitan and local levels was for it to replace the top management of the bureaucracy who were associated with implementing Apartheid. The new councillors wanted to give content to the nationally-defined developmental objectives of local government to redress Apartheid and reduce poverty (Nel and Binns 2003).¹³⁰ The result was that the bureaucratic leadership of the Municipality tended to be replaced by people with a more developmental background – often forged in the NGO sector or anti-Apartheid campaigns – and with greater exposure to development experience and poverty debates.¹³¹ This meant that wider perspectives on poverty, economic growth, and the role of cities in development were imported, and imparted, at senior management levels. In some cases, this new leadership had experience of national debates about poverty, development, and the economy forged during the formulation and

¹²⁹ It was not clear what form local government in Durban would take until just before the elections in December 2000. This paralleled wider national debates about the form and function of local government in South Africa.

¹³⁰ See also (The White Paper on Local Government 1998).

¹³¹ Vidhu Vedalkar, Interview 29/07/04.

negotiation of national policies in the period between 1990 and 1994 and then in the period of policy formulation after 1994. Good examples of this are Viv McMenamin¹³² who was involved in the ANC's national economic research and policy unit prior to 1994 and Dan Smit¹³³ who had a long involvement in the formulation of national housing policy. These factors and wider perspectives contributed to the ways in which poverty and the role of cities in economic growth rose on the Council's agenda.

However, the ability to change the strategic direction of the city's development was severely constrained because the bulk of the Municipality's budget was already committed to operating expenditure. Vidhu Vedalankar¹³⁴ equated the difficulty of reorienting the bureaucracy with that of changing the form of the Apartheid city. She remarks that a large number of the 16,000 municipal staff and officials had a "fixed form" in the sense that their activities were bound to specific functions of regulation and maintenance. Of a total budget of approximately R8 billion, R7 billion was tied to operating expenditure and only R1 billion was available for new capital expenditure in 2001.¹³⁵ While about 75 per cent of the capital budget was directed towards the historically neglected townships it was clear that significant change rested on being able to refocus the municipality's operational programmes.¹³⁶ Thus, the restructuring of the staff and organisation of the Municipality became critical to achieving the desired development direction. The reorganisation was itself difficult because of two problems.

¹³² Viv McMenamin became the first director of the Economic Development Department in the Durban Metropolitan Council.

¹³³ Dan Smit became the Director of the Metro Housing Department of the Durban Metropolitan Council.

¹³⁴ Vedalankar is a respected former activist in campaigns aligned with the UDF and became CEO of South and North Central Councils in 1999. The South and North Central Councils were managed together following the local government restructuring in 1996.

¹³⁵ Vidhu Vedalankar, Interview 29/07/04.

¹³⁶ Glen Robbins, Interview 14/06/04.

Firstly, the new leadership was diffused throughout the city. In Vedalankar's opinion this meant that while this leadership was not "blocking anything, they weren't taking [the city] anywhere".¹³⁷ Nevertheless, a number of responsibilities were allocated to the new metropolitan level such as housing, water, electricity and economic development so that concerted metropolitan-wide action could be taken. A department that figures prominently in the way in which the poverty became important at this time is the metropolitan-level Economic Development Department (EDD).¹³⁸

Secondly, the new developmentally-oriented leadership were faced with a situation where the professionally competent and historically powerful infrastructure departments within the Municipality were continuing with business as usual and "weren't paying attention to the fact that people still didn't have access to water and nobody was making them pay attention".¹³⁹ In Vedalankar's view, the only department that was paying attention to the development issues "might have been [Metro] Housing but they weren't strong enough" in comparison to the institutionally powerful Water, Electricity and Engineering departments. While Durban Metro Water and Durban Electricity pioneered the progressive provision of services through lifeline tariffs,¹⁴⁰ in Vedalankar's opinion, these were primarily a "financing and system mechanism" rather than ensuring that poor people could access water and electricity.¹⁴¹ Thus Vedalankar concludes, the "only time we could debate the [broader developmental] issues was in the Unicity committee¹⁴² because they weren't

¹³⁷ Vidhu Vedalankar, Interview 29/07/04.

¹³⁸ The EDD was initially established within the Urban Strategy Department of the (local) Durban Municipality and later emerged as a department at the metropolitan level.

¹³⁹ Vidhu Vedalankar, Interview 29/07/04.

¹⁴⁰ This tariff structure ensures that each consumer obtains 50Kwh of electricity and 6 kilolitres of water per month free. If consumption exceeds this first free block, then the additional consumption is charged at a rate that cross-subsidises the first free tariff block. This tariff structure is an important component of eThekweni Municipality's poverty alleviation initiatives.

¹⁴¹ Vidhu Vedalankar, Interview 29/07/04.

¹⁴² The Unicity committee was a supra-local and metro-level forum established in anticipation of metropolitan-level government in Durban.

accountable to the local councils” and bound up with the existing organisation of the municipality.¹⁴³

In sum, the restructuring of local government and the possibility of a metropolitan view made it possible to conceptualise managing the city in a different way. A new layer of senior management was appointed to help realise these progressive possibilities. However, change was understood to be more difficult than originally anticipated because staff and budgets were allocated to specific functions and capital expenditure was restricted. These restrictions were consistent with the fiscally austere approach encouraged by GEAR. The ability to introduce a new vision came up against the financially and technically entrenched administrative systems. These systems were particularly difficult to challenge because they contributed to the image of Durban as a historically well-managed municipality which was important in a broader political context (Freund 2002a). The combination of these factors thus made it more difficult than anticipated for post-Apartheid policy makers to address poverty and the effects of Apartheid.

Redemarcation

To facilitate the redistribution of resources from historically, wealthy white areas of the city to poorer Black areas and to reflect the functional dependence of urban areas and their hinterlands, national government passed legislation providing for the re-demarcation of local government areas.¹⁴⁴ The result was that a comprehensive system of racially integrated local government was established across the country in South Africa.

¹⁴³ Vidhu Vedalankar, Interview 29/07/04.

¹⁴⁴ The Municipal Demarcation Act 27 of 1998.

In Durban the effect of demarcation was to increase the area of jurisdiction by about 67 per cent and the population by 9 per cent (Urban Strategy Department 2000b). The difference between the increase in land area and population is to be explained by the low population density of the semi-urban peripheral areas that were incorporated (see Figure 6).

These expanded boundaries ensured that many poorer parts of the city became incorporated within the city's boundaries. The net result was that the eThekweni Municipality inherited poorer areas that had historically been neglected in terms of infrastructure and amenities. Consequently this posed new development challenges for the city and raised the priority of responding to issues of poverty overall.¹⁴⁵ The other effect of the re-demarcation and geographic expansion of the city boundaries was that the balance of representation within the council chamber shifted. Representatives of the relatively impoverished and additional wards were predominantly Black. These new representatives often brought their own personal experiences of poverty with them in the council chamber.¹⁴⁶ But, more broadly, it required the Municipality to seriously engage with the development and redistribution of resources to the urban periphery, townships, denser informal areas and areas under the 'control' of traditional leaders (Beall 2006). The demarcation of expanded municipal boundaries coincided with the establishment of the eThekweni Municipality in the municipal elections of December 2000.

¹⁴⁵ It should be noted that although the eThekweni Municipality assumed spatial control over a previous city hinterland that had always been part of the social and economic life of the city, significant powers to intervene in these new areas remain under the control of Provincial Government.

¹⁴⁶ Linda Mbonambi, Interview 10/06/04.

[illegible]

Source: (Urban Strategy Department 2000c)

Many of the institutional changes in Durban were driven by national changes in the local government legislative framework. For example, the Bill of Rights in the Constitution (1996) provided for three co-operative tiers of government and thereby established local government as an equal sphere of government with certain rights, powers and duties alongside national and provincial government. Of importance here, was the emphasis on the developmental purpose of local government rather than a purely regulatory role. The duty of local government was specified as to engage in “budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community” (*Constitution of the Republic of South Africa* 1996, Chapter 7, Section 153.a). The EDD was established in Durban, partly in response to this constitutional obligation¹⁴⁷ and partly, as I will argue later, in response to a growing trend across South Africa to prioritise economic development at a local government level and suggest a far more active role for the local state in shaping the local economy (Binns and Nel 2002; Rogerson 2003; Pieterse 1998).

The key piece of legislation that gives content to the Constitutional obligations on local government is the White Paper on Local Government (1998). From this White Paper a raft of legislation was promulgated.¹⁴⁸ In general, these changes in objectives reflect a desire for local government to be the State’s first line response to the poverty and inequality characteristic of South Africa’s cities (Mogale 2005). Possibly the most important of these responses is the requirement for each municipality to prepare an Integrated Development Plan (IDP). The IDP process was intended to integrate the spatial redevelopment of historically

¹⁴⁷ Eric Watkinson, Interview, 29/07/04.

¹⁴⁸ A brief overview is in order to provide a sense of the scale of changes experienced by local government in South Africa. As noted the Municipal Demarcation Act 27 of 1998 provides for the demarcation of municipal boundaries according to specified objectives and criteria. The Municipal Structures Act 117 of 1998 (*The Municipal Structures Act*) provides for the establishment of municipalities and aspects of their organisation, composition and internal affairs. The Municipal Systems Act 5 of 2000 (*Municipal Systems Act*) provides for systems within which municipalities should operate and procedures they should follow in day-to-day operations.

neglected areas with the budgeting process of the municipality. The requirement to prepare an Integrated Development Plan was an important motivation for the Unicity Committee to engage in the long-term city visioning process (Moodley 2004), which I will consider in the following chapter. The policy makers argued that the shorter-term IDP needed to be informed by a longer-term view of urban development.¹⁴⁹

However, the legislation focused on transforming local government was not the only national-level legislation that was having an impact on the activities of local government. It is worth recalling from Chapter Two that the GEAR (Department of Finance 1996) macroeconomic strategy was having a profound effect on South African policy-making. This filtered through to the formulation of other national policies such as urban policy. The only national-level urban policy is the Urban Development Framework (Department of Housing 1997). In respect of this policy, Edgar Pieterse (2003, 124) observes, “the message is clear: prioritise economic growth while simultaneously gearing up municipal government to tackle the massive backlogs.” It is perhaps not surprising, then, that there was a growing sense that Durban needed to focus more strongly on economic growth and be globally competitive to achieve this.¹⁵⁰ One of the first times that this view is explicitly stated is in *Durban Metropolitan Council Green Paper on Economic development* (Durban Metropolitan Council 1996).

The emphasis on economic growth as a solution to poverty at the international level has occurred in tandem with broader representations of cities as the primary sites of economic growth. I drew attention to how the economy was increasingly coming to be seen as the most important solution to poverty in the presentation of the definitions of poverty in Chapter Two. Within this process the city rather than the nation has assumed greater importance in strategies for

¹⁴⁹ Dan Smit, Interview 30/08/05.

¹⁵⁰ This is in the context of linking this economic growth to extend access to disadvantaged communities to economic opportunities (Durban Metropolitan Council 1996).

generating economic growth and cities have come to be regarded as the ‘engines of economic growth’ (Grant 2004; Meikle 2002). While the lines of causality are fuzzy, the concomitant rising policy importance of urban poverty, economic growth, and cities is suggestive of a complex interrelationship. But, here I want to draw attention to an effect of this concomitant rise in policy importance that has had consequences in Durban. Jennifer Robinson (2002) notes that generally the focus has shifted from developing poorer, peripheral parts of the city to considering how the city as a whole can benefit from fast-growing, globally integrated economic activities. This view, in turn, had consequences for the location of economic investments and their ability to ‘trickle’ or spread into the wider Durban metropolitan area (cf. Maharaj and Ramballi 1998). In sum therefore, ‘cities’, particularly in the global south, have come to be imbued with perspectives that suggest that they are sites of increasing poverty (cf. Mitlin 2003; Devas 2004) but are simultaneously being recognised as critical components of poverty reduction strategies because they are primary sites of economic growth (cf. DfID 2001; Daniels 2004). An important effect to signal is that this has legitimated more ways of ‘seeing’ and ‘talking’ about urban poverty. The consequences for Durban were that eThekweni Municipality could legitimately pursue economic growth strategies as a general part of poverty alleviation initiatives. However, it was poverty research commissioned by local government that quantified the extent of this poverty in Durban.

4.2.2 Poverty research

The EDD commissioned the first post-Apartheid research into poverty in the emerging Durban metropolitan municipality in 1999.¹⁵¹ This research was based on the national Census of 1996 and conceptually draws upon, and is framed in terms of, the broad definitions of poverty in the national PIR (see Casale and

¹⁵¹ Eric Watkinson, Interview 28/07/04.

Thurlow 1999). The research produces categories of 'poor' and 'ultra-poor' census enumerator areas.¹⁵² These categories are mapped against different aspects of life in the city. Here I present a sample that relate to the prevalence of poverty, unemployment, and access to water services. The spatial prevalence of poverty, unemployment and (lack of) access to water on the periphery of the city are both important to the ways in which poverty came to be understood by Durban's policy-makers. Thus in Figure 7, Casale and Thurlow (1999) point to the concentration of the poor in the peripheral areas of Durban. Figure 8 shows the extent and distribution of unemployment and Casale and Thurlow (1999, 26) suggest that "while unemployment does, to a certain extent, concentrate in the outer areas, there is a general prevalence throughout the Durban Metropolitan Area". Figure 9 shows the percentage of households that had access to water from the local authority. On the basis of this sample spatial analysis of poverty and other maps included in the report, Casale and Thurlow (1999) conclude that poor people are primarily on the periphery of the city.

Although the Casale and Thurlow (1999) study is framed broadly within the assets and capabilities/sustainable livelihoods approach of the PIR, these subtleties are generally lost or dissipated in subsequent references to this work. Consequently, poverty tends to be defined in terms of income. The calculations of poverty that are cited in later policy documents, for example that 23 per cent of Durban's population suffer from extreme poverty and 44 per cent suffer from poverty, are drawn directly from the conclusions of the 1999 study (eThekweni Municipality 2001, 3). As a result, the extent of poverty was quantified in the Municipality's general development agenda and the effect of this study was to

¹⁵² This definition of 'poor' and 'ultra-poor' is based on May's (1998) definition in the PIR which is based on the RDP (1995) which is ultimately based on data from the PSLSD (SALDRU 1995). In this method, households are ranked in terms of their adult equivalent expenditure and divided into five quintiles. The 'ultra-poor' are the lowest quintile. This definition of a 'relative' poverty line was originally chosen by the RDP in the absence of consensus on an 'absolute' poverty line. Coincidentally, the relative poverty line indicated an "extent of poverty in the same range as that produced by the minimum food lines" (RDP 1995, 8). This approach is to be distinguished from the definition of the 'ultra-poor' as those who are unable to meet their minimum needs despite spending more than 80 per cent of their income on food.

provide hard evidence of the extent of poverty and confirm the reframing of *racial inequality* as *income inequality* (cf. Nicholson 2000). This both allowed, and required, the Councillors to factor poverty into any new plans.¹⁵³

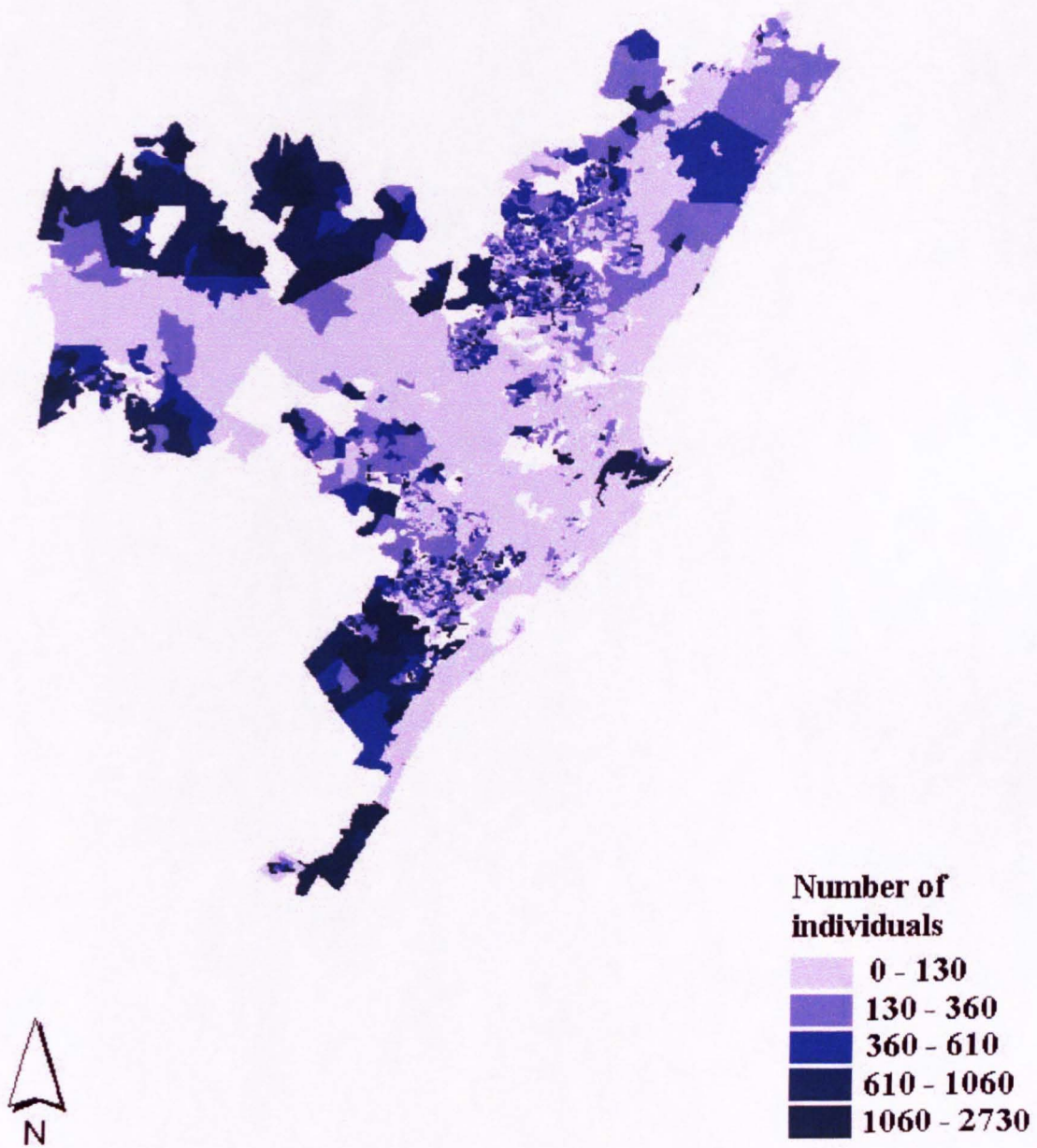
The broader definitions and theories of poverty discussed in Chapters Two and Three respectively are complemented by international debates about urban poverty, development, and the role of government. In terms of the international debates, the prioritisation of poverty in the World Bank's 1990 World Development Report is a key moment in the broader processes of framing international development priorities (Mawdsley and Rigg 2002). It is recognised as having set in train a new focus on poverty for the international development agenda (Booth and Mosley 2003). As I suggested in Chapter Two, the motivation for the PSLSD, SA-PPA, and PIR, can in part, be ascribed to this new focus. Dan Smit (CEO of Durban Metro Council Housing and a senior consultant in the long-term city visioning process I will consider in the following chapter) suggests that these broader discourses are important here because as poverty became more fashionable within broader development discourses, it was possible to put it on the Durban Council's agenda more freely.¹⁵⁴

But the international recognition and prioritisation of *urban poverty* lagged behind this broader trend (Satterthwaite 2005; Amis 1995). For example, ten years after the 1990 World Development Report, Philip Amis (2001, 354) suggests that the 2000 World Development Report neither understands, nor addresses, the position of the urban poor. Diana Mitlin (2004) argues that the international lack of recognition of urban poverty has been compounded by an underestimation of urban poverty. This is particularly so when poverty is defined more broadly than a lack of income and includes 'human needs not met' (Mitlin 1995a).

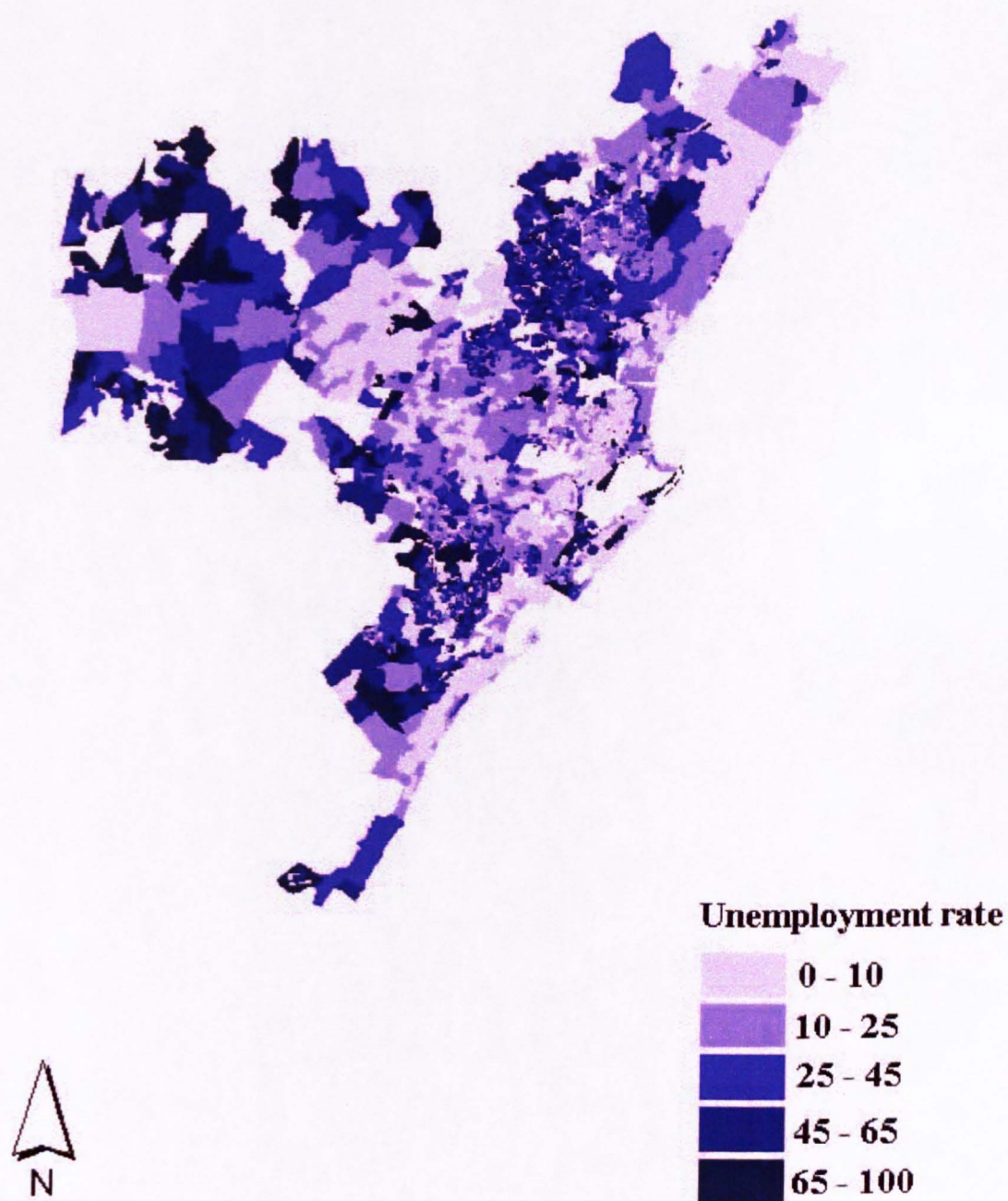
¹⁵³ Brian O'Leary, Interview 29/03/04.

¹⁵⁴ Dan Smit, Interview 30/08/05.

Figure 7. Poverty headcount in Durban (1996)

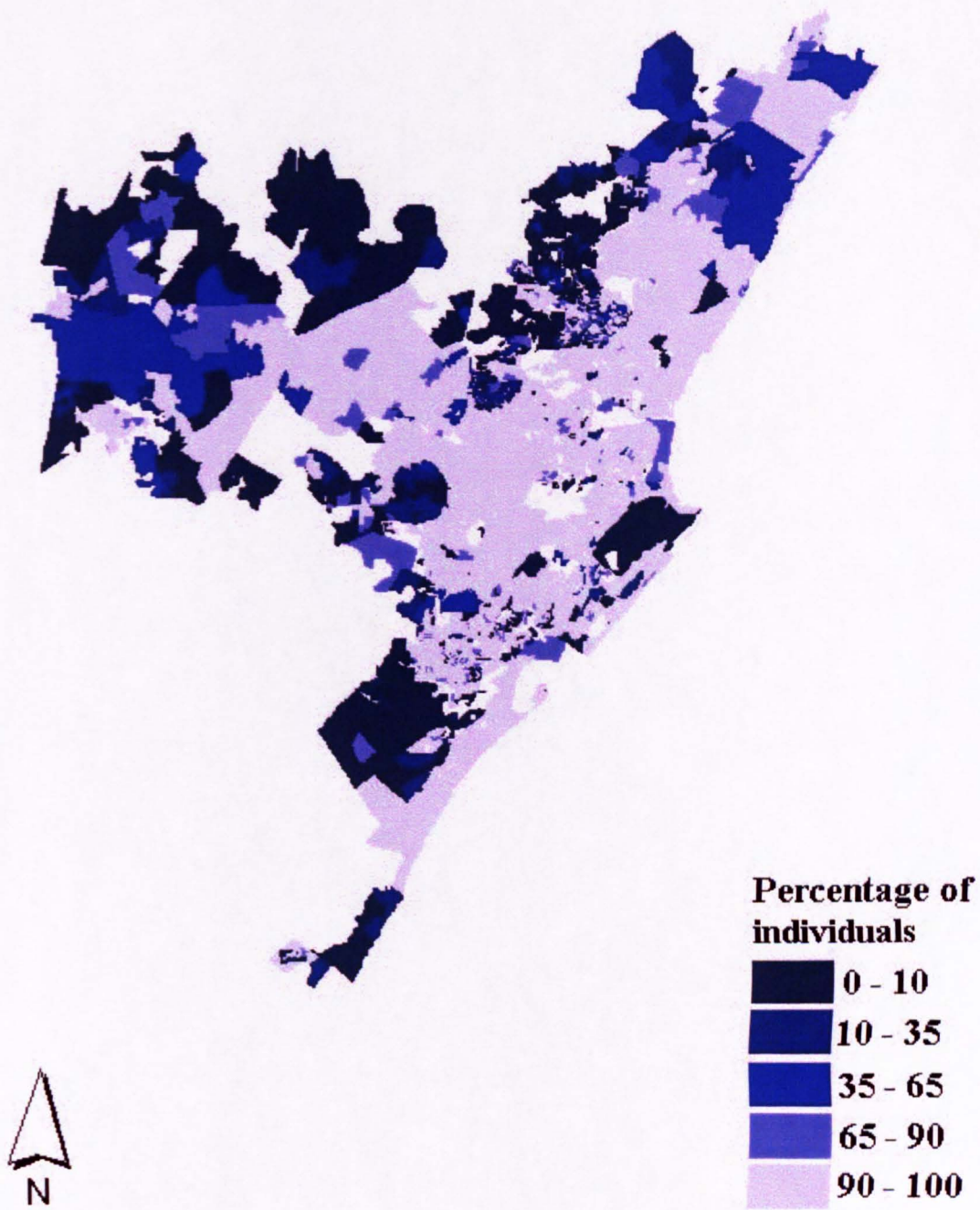


Source: Casale and Thurlow (1999)

Figure 8. Unemployment in Durban (1996)

Source: Casale and Thurlow (1999)

Figure 9. Water supply in Durban (1996)



Source: Casale and Thurlow (1999)

In South Africa, there has only recently been a shift in policy emphasis and resource distribution that has paralleled the broader international shifts identified above. Firstly, this has been because the talismanic figure of the ‘poorest of the poor’ as being a black, rural woman (that was given such impetus in the Carnegie Inquiry) has proven difficult to dislodge. Consequently, in the post-Apartheid period the challenge of reducing poverty has primarily focused on rural areas. It has only been in the late 1990s that urban poverty has become recognised as of equal importance to rural poverty in South Africa.¹⁵⁵ The growing policy emphasis on urban poverty has also to do with a recognition of a trend toward urbanisation bringing more people to the cities and an increasing share of overall poverty being found in urban areas (Rogerson 2001, 342).¹⁵⁶ This has been underpinned by increasing amounts of resources being made available to generate research data which in turn is based on the perception amongst international development agencies that economic growth (to reduce poverty) increasingly occurs in cities (DfID 2001). This data is slowly filtering through to inform policy agendas.¹⁵⁷

More generally though the nuanced and thorough understanding of urban Apartheid’s effects on poverty in South Africa has much to offer broader Anglo theories of urban poverty which tend to be more abstract and aspatial (cf. Parnell 1997; Robinson 2006). Within the broader theories, urban poverty is considered as having the same underlying causes as ‘general poverty’ (Wratten 1995). Theorists have identified a range of effects of poverty that can combine uniquely in ways that “intensify the insecurity and life-threatening health risks experienced with poverty” (Wratten 1995, 25). These effects include the observation that urban poverty appears more embedded in the national and global capitalist economy. Thus urban poverty relates to the greater reliance of urban households on income and the monetary economy and relatively lesser

¹⁵⁵ Susan Parnell, Interview 22/07/04 and see also PCAS (2003).

¹⁵⁶ These processes have their parallels in experiences internationally (cf. Øyen 2005; Wratten 1995).

¹⁵⁷ Susan Parnell, Interview 22/07/04.

reliance on the natural environment to produce food (Moser 1998). The means of accessing assets such as land, water and shelter are generally more commoditised and urban forms of governance tend to underscore these differences with rural poverty (Farrington, Ramasut, and Walker 2002). Ellen Wratten (1995, 25) also points to issues such as social fragmentation and crime, and negative contact with the state and police as important issues for poor people in urban areas. Together these effects of urban poverty exacerbate the exposure of people to the vicissitudes of the global (capitalist) economy and interventions such as Structural Adjustment Programmes (McMichael 1998; Green 1998). The South African studies of poverty however offer rich insights that are based on the distinctively urban experiences and causes of poverty that arise from the Apartheid city and its racialised development.

In Durban, growing attention to urban poverty led to efforts on the part of the EDD to restructure the finances of the Municipality to free up resources for capital spending and new innovative initiatives. As a result, resources were created to commission a Quality of Life survey.¹⁵⁸ This survey is seen as critical in promoting the need to respond to urban poverty. Nonhlanhla Zondi¹⁵⁹ comments “before the Quality of Life survey it was thought that most poverty was in the rural areas of the city, but [the survey] changed this and suggested that there was more poverty in the township areas”.¹⁶⁰ It is generally accepted in the broader poverty literature and in Durban that *urban* poverty can be differentiated from *rural* poverty, even though the distinctions between urban and rural are often difficult to sustain and the general flows between the urban and rural suggest a complex interdependence (see for example, Satterthwaite and Tacoli 2002; Cross, Mngadi, and Mbhele 1998).

¹⁵⁸ Glen Robbins, Interview 14/06/04.

¹⁵⁹ Nonhlanhla Zondi was interviewed in his capacity as Deputy Head of the department responsible for co-ordinating responses to poverty in the eThekweni Municipality.

¹⁶⁰ Interview, 26/04/04.

I suggest that the acknowledgement of the distinctively urban nature of poverty in Durban has had two consequences for local policy. The first is that poverty is perceived as spatially confined to informal settlements.¹⁶¹ This in turn has the effect of providing a convenient spatial referent to the tendency within poverty studies to seek to isolate and target those in poverty (cf. Green 2003; Modarres 2001; Yapa 1998; Shaffer 2002). The second effect is that a focus on the physical condition of settlements translates poverty reduction strategies into the provision and upgrading of public infrastructure. The link and eventual conflation between poverty alleviation and infrastructure provision is provided by basic needs theory. Diana Mitlin (1995b, 7) points out that when “urban poverty is understood as more than lack of income [and] includes all aspects of deprivation then a greater range of initiatives to improve housing, health, transport and basic services become part of poverty reduction”.

The intention of the basic needs approach is to guarantee access of all households to a minimum standard. This provided the basis for re-directing Durban’s municipal budgets and programmes. However, as Edgar Pieterse (1998, 7) observes, precisely what constitutes the ‘minimum standard’ and how this is guaranteed is “highly dependent on the financial formulas that underpin them which determine the size of the subsidy, who gets access to the subsidy, the level of service, etc.”.

The conflation of basic needs and poverty in urban development policies is despite the insistence of other authors on poverty alleviation at a national level, that there is a distinction between meeting ‘basic-needs’ and eradicating poverty. May and Rogerson, for example, suggest that:

“...providing water, toilets or transport for the poor will not eradicate poverty. None the less, the more effective delivery of infrastructure services ... stands out as a particularly important set of policy interventions that government can use to directly meet the basic

¹⁶¹ See Davis (2004), Gilbert (1982), Ravallion (2002) and United Nations Human Settlements Programme (2003).

needs of the poor and to redress apartheid-inherited inequalities in service provision ” (2000, 217-218).

In sum, broader poverty research had begun to make it easier to raise poverty as a policy priority within the municipality and Council although recognition of the severity of urban poverty lagged at the national and provincial levels of government. Within Durban, the racial segregation of the city made it possible to identify specific geographic concentrations of poverty because the levels of income, infrastructure and social services coincided with the racial geography of the city. Consequently, racial inequalities could be translated into urban inequalities and poverty became thought of as predominantly spatially confined to peripheral and ‘dormitory’ areas of the city.

4.2.3 *Development approaches*

Inevitably, with the need for change, a range of different views on approaches to reduce poverty emerged within Durban. There were two that I argue exemplified the extremes of the debates. The first is what was termed ‘delivery-at-scale’ of basic infrastructure and services and the second the ‘big-project’ approach. Both of these two approaches were a complex mix of contradictory factors and effects. However, both of these approaches were framed in terms of what local government was generally considered able to do. Constitutionally, local government in South Africa was required to pursue the objectives of the ‘social’ and ‘economic’ development of citizens. At the very least this involved the delivery of infrastructure and services on a financially sustainable basis and could be broadened out to include notions of citizenship. Most local authorities in South Africa struggled to pursue a local economic agenda (Binns and Nel 2002; Pieterse 1998). Durban was recognised as having more capacity than most local authorities (Khosa and Naidoo 1998). But even in Durban, the ability to pursue economic development appears confounded by the contradictory effects

of the national state having the power to intervene more adequately and having better instruments to promote economic growth, but being perceived as withdrawing from its local responsibilities, if unevenly (Rogerson 2001; Nel and Binns 2003; Freund and Lootvoet 2004). In terms of this understanding, the responsibility of local government was to ensure that when the local economy did start to grow the exclusionary impacts on the poor were minimised.¹⁶² Notwithstanding these limitations, Vedalankar traces one source of the divergence between the ‘delivery-at-scale’ and ‘big-project’ approaches back to forms of engagement in the struggle against Apartheid. She notes that those involved internally in the struggle, through the mass UDF campaigns for example, tended to think “on scale” of a groundswell of change. In her view, those activists in exile tended to think more in terms of specific “projects” that would catalyse other changes.¹⁶³ However, in the light of the analysis of Chapter Three, it is also possible to see the influence of different theories of poverty being played out and I suggest that the ‘delivery-at-scale’ approach resonates with the connective strategy of basic needs theories of poverty.

The ‘delivery-at-scale’ approach centred on directly improving the material circumstances of those considered poor. In Dan Smit’s view, sustainable poverty reduction required increasing the social wage through redistribution. In this conceptualisation, the role of economic growth was to contribute to the same goal of redistribution through creating employment.¹⁶⁴ But as Vedalankar notes “the fact that you have an unemployment rate of 40 per cent means that [Durban] cannot be driven by a formal economic agenda ... and if we have that many people who are not part of the formal economy, and they are being by-passed, then we have to address [basic] needs”.¹⁶⁵ This approach favours direct infrastructural investment to meet the basic needs of poor areas of the city as pointed out in relation to the apportionment of the Municipality’s 2001 capital

¹⁶² Glen Robbins, Interview 14/06/04.

¹⁶³ Vidhu Vedalankar, Interview 29/07/04.

¹⁶⁴ Interview, 30/08/05.

¹⁶⁵ Interview, 29/07/04.

expenditure budget.¹⁶⁶ However, the redistribution of this capital investment posed a problem because it tended to reinforce the form of the Apartheid city by literally, concretising, the existing fragmented urban form. Alison Todes (2003) notes, the debate about urban form in South Africa was driven more by questions of equity and social change than efficiency and diversity.¹⁶⁷ This reinforcement of the Apartheid city was considered highly undesirable by progressive policy-makers and it contributed to a growing sense that the best chance of restructuring Apartheid cities was to invest in areas that were not necessarily, historically poor.¹⁶⁸ Despite this, the 'delivery-at-scale' approach held considerable appeal to the Ward councillors representing poor, peripheral wards with poor services and high rates of unemployment.

On the contrary, the 'big-project' approach relied on large, catalytic projects that would demonstrate tangible change and build confidence in the city as a favourable locale for other infrastructural investment and tourism development. In this way, the 'big-project' approach relied on a 'trickle-down' distribution system from the increased investment that would follow and in this way, spoke to an income theory of poverty in terms of which poor people would be absorbed into the formal economy and lifted out of poverty through earning higher incomes (Amis 2002).

It was the Director of EDD, Viv McMenemy's view, that it was necessary to engage in single big urban projects to stimulate economic growth.¹⁶⁹ In addition, EDD did not have a very strong focus on the link between poverty and economic growth because McMenemy took a view that the 'delivery-at-scale approach'

¹⁶⁶ Adopting an international perspective Amis (2002, 109) notes that "despite the hype about city marketing and mega projects, traditional service delivery [by local government] may be more critical for [poverty reduction]".

¹⁶⁷ In many cases the opportunities and attempts to reintegrate Durban through implementing notions of the compact city foundered on micro-level antipathy from surrounding areas and the dictates of the land market (Charlton 2003; Todes 2000).

¹⁶⁸ Dan Smit, Interview 30/08/05.

¹⁶⁹ Francie Lund, Interview 10/06/04; Glen Robbins, Interview 14/06/04; Vidhu Vedalankar, Interview 29/07/04.

was not the way to solve South Africa's problems and that the economy should be viewed as having two connected but different problems – the absence of growth and severe poverty.¹⁷⁰ It is worth noting that this view also structures the PIR.¹⁷¹ In McMenamin's view, national government was seen as the best means of using basic services to address poverty in the most extreme form and local government should address the absence of growth (while not entirely ignoring the connection to poverty).¹⁷² The lack of local economic growth was seen as a result of a lack of confidence and a disconnection between the political elites and economic elites and therefore the need for partnerships between the two. This was because the ability to realise catalytic big projects was understood to depend on 'coalitions' of local political and economic elite and such projects often require special arrangements or processes that require elite support and legitimacy (Robinson and Boldogh 1994). This is an issue I return to below when considering the perceived mismatch between the local political and economic elite in Durban as a source of tension in local politics.

However, McMenamin and EDD were far from single-mindedly pursuing flagship, 'boosterist-type' urban projects and the department appreciated the need to work on many different dimensions of the economy. Indeed, the ability of the EDD to focus on large investments in economic infrastructure depended on their ability to secure continued support from Ward councillors in Council

¹⁷⁰ Glen Robbins, Interview 18/03/04.

¹⁷¹ The PIR suggests that separate, but related policies are needed to intervene in the economy and to reduce poverty. The result is that economic growth policies and poverty policies have an independence from each other, even though it is expected that they will have an impact on each other. However, the economy comes to be seen as more fundamental because it is argued that when the past performance of the economy is considered, economic output and employment creation has been declining while the population growth rate has remained constant. Unemployment has therefore grown and because unemployment is strongly correlated with poverty, poverty has increased. Thus without employment to increase per capita output it is argued that little progress can be made on reducing poverty. The result is that economic growth (economic policies) is considered more fundamental than poverty reduction (poverty studies), with the result that economic growth as expressed in GEAR can be considered the most fundamental part of (and seems to be consistent with) the RDP. In effect, economic growth becomes decoupled from efforts to reduce poverty (May 1998, 6).

¹⁷² Glen Robbins, Interview 18/03/04.

debates.¹⁷³ One of the best ways of securing this support was to work within poor peripheral communities and deliver local economic results. Thus, Robbins reflects that EDD were involved in a set of contradictory processes which meant that “sometimes [EDD] worked with the market and at other times against”.¹⁷⁴ To state the two development approaches in such stark terms is perhaps to overstate the differences. Nevertheless, these differences do appear to have been reinforced and played out through local politics and differences within the Council.

4.2.4 *Local politics*

There are three aspects of local politics that shaped the way in which poverty became important in Durban. These aspects shaped the process of arriving at a preferred development approach for Durban, and hence the understanding of poverty that would predominate. The first is tensions between the Metropolitan-level and Ward-level councillors. The second is internal struggles over leadership within the ANC. The third is a perceived mismatch by policy-makers between political and economic elites.

Tensions between Metropolitan and Local governments

Earlier in this chapter, I noted when discussing the restructuring of local government that the two-tiered system of representation at metropolitan and local levels was important. I now return to this issue to explore in what ways it was important to how poverty became a priority. In this transitional period of local government, local councils often contested the metropolitan-level initiatives (Todes 2000). In Glen Robbins’ view, the tension between the local and metropolitan level government was exacerbated by the perception of the centrally

¹⁷³ Glen Robbins, Interview, 14/06/04.

¹⁷⁴ Interview 14/06/04.

former-White local councils that they were more important than the Metropolitan level government in economic terms.¹⁷⁵ To recall, in Figure 4 showing the spatial form of the city, the central councils coincided with the historically highly resourced areas of the city where the formal economy was assumed to be located.

The local Ward councillors felt that development in the historically disadvantaged areas, such as the townships and informal settlements so prominent in urban poverty discourses, should be prioritised. After all, as poverty research had shown, the greatest deprivation and neglect in terms of municipal service provision was to be found on the periphery of the city. Being more accountable to their local constituency than the Metropolitan councillors elected proportionally from party lists, the Ward councillors were eager to deliver resources to ameliorate deplorable conditions in their wards and match the hopes and expectations of the electorate. In this context, it was difficult for a Ward councillor to explain to a household, in an under-serviced township, how investments in an International Convention Centre in the centre of the city, and aimed at international visitors, for example, would improve their living conditions.¹⁷⁶ Robbins feels that there was a sense that the Metropolitan level councillors were not very sympathetic to what they saw as parochialism on the part of local Ward councillors.¹⁷⁷ Thus, the apportionment of the budgets and development priorities of the Municipality became highly contested.

To some extent the EDD became identified with the Metropolitan level councillors, particularly with a small, but highly influential group of executive Metropolitan councillors (including the Mayor). This group came to form a strong team with a commitment to implementing investments with a metropolitan-wide impact. This chimed well with McMenamin's views on 'big-

¹⁷⁵ Glen Robbins, Interview 18/03/04.

¹⁷⁶ Dan Smit, Interview, 30/08/05.

¹⁷⁷ Interview, 18/03/04.

project' economic development and it is not surprising that she performed an important role in providing the technical justification and backup for the executive committee and thereby improved its capabilities.¹⁷⁸ McMenamin is an economist with historically strong links to the national ANC leadership and economic policy making processes. These relationships with national politicians and processes were important for unlocking development processes and securing higher levels of support for economic initiatives. Vedalankar notes the "[local] councillors weren't necessarily happy with this Metro approach of big projects because that didn't ... result in things for them in the townships".¹⁷⁹

Mismatches between the political and economic elite

The tension between Metropolitan and Ward councillors and differences over approaches to development was refracted by the perception of a disjuncture between the newly elected (mostly Black) political elite and historically entrenched (mostly White) economic elite. Robbins feels that the new "councillors felt threatened and didn't trust White business".¹⁸⁰ However, the relationship between officials and White business was complex and Robbins notes "there were lots of bruising battles between the private sector and officials".¹⁸¹ The perception of a disjuncture was given added weight after the 2000 local government elections when the political elite of the ANC did not generally represent the areas of the city perceived to be responsible for economic growth. In the broadest terms, the Democratic Alliance represented established White interests while the ANC and IFP represented poor Black interests. As Figure 10 shows, the Democratic Alliance (DA) represented the historically well-developed and industrial (economic) parts of the city while the ANC tended to represent the (poor) peripheral areas of the city.

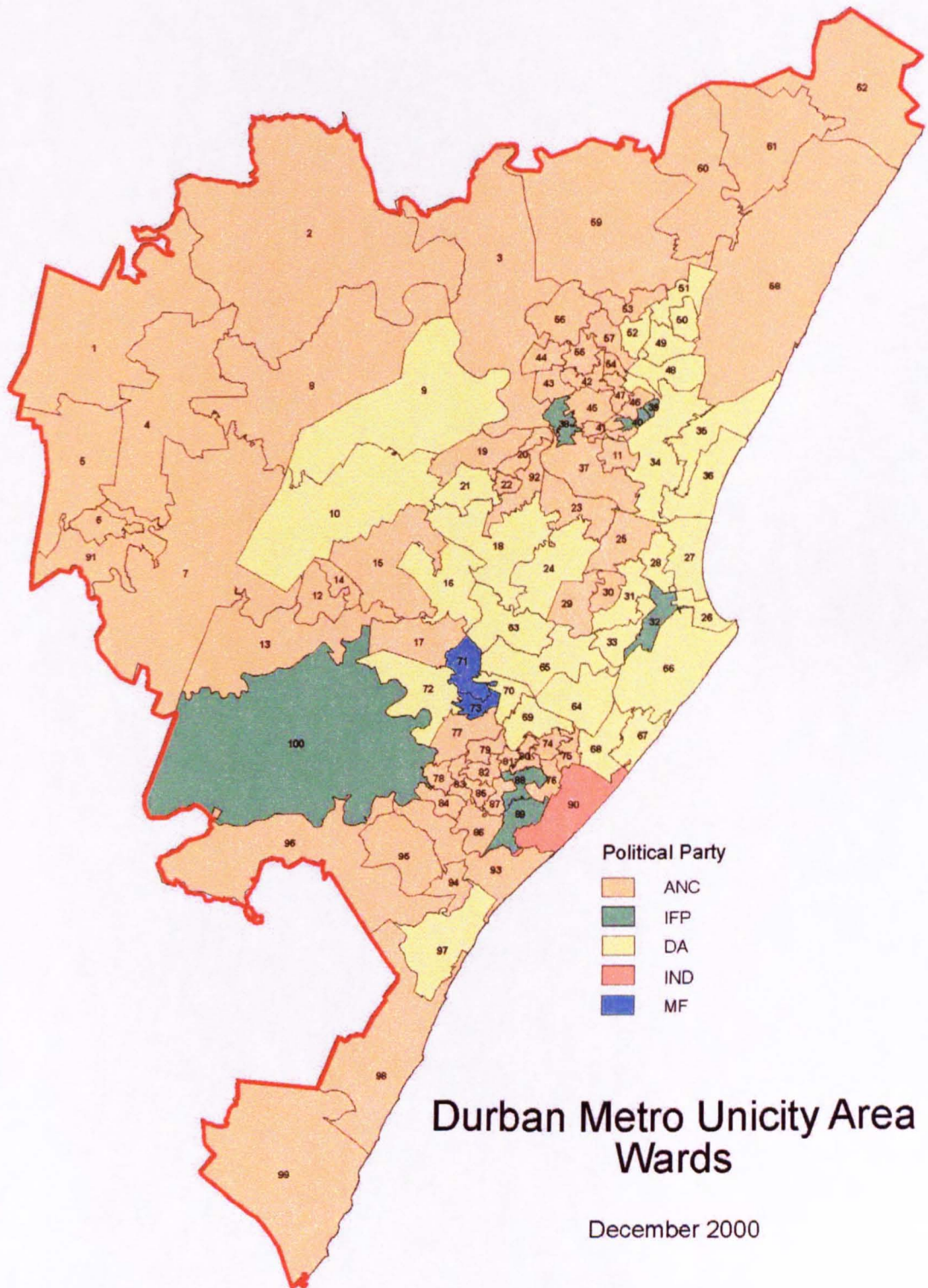
¹⁷⁸ Glen Robbins, Interview, 14/06/04.

¹⁷⁹ Interview 29/07/04.

¹⁸⁰ Interview 14/06/04.

¹⁸¹ Glen Robbins, Interview 14/06/04.

Figure 10. Political representation at ward level after the local government elections in Durban in 2000



Source: (Urban Strategy Department 2000a)

Khosa and Naidoo (1998, 2) estimate that 80 per cent of formal economic activities were located within the well-developed and industrial parts of the city.

The reason it was so important to resolve the perceived disjuncture between the political and economic elites was because the 'big-project' approach relied on a consensus amongst political and economic elites to legitimately circumvent 'normal' development procedures and practices. This was complicated in Durban by the fact that the two sets of elites represented different racial and social groups in the city.

Consequently, the perceived mismatch between political and economic elites that stifled the prospects for formal economic growth in the city meant that the priority for economic growth "was not on capital investment, it was on relationship building because that was missing".¹⁸² Kiepiela goes on to explain that in relation to promoting economic growth in Durban, the "first problem was confidence, and the second problem was the right policies, and then the third was, where do we get the money from?"¹⁸³ Thus, Robbins notes that if there was a perception of a Council "swing to Capital in this period, then it would not be unfounded because we were trying to forge a partnership between Black and White business and the Municipality in some form. This was not sufficient for everything in the economy, but it was necessary".¹⁸⁴ In this context, a Durban Growth Coalition was forged.¹⁸⁵ The perceived need to build bridges between the economic and political elites overlapped with internal contestations over leadership and who should be forming the alliances with business elites within the ANC.

¹⁸² Andrzej Kiepiela, Interview 22/06/04.

¹⁸³ Interview 22/06/04.

¹⁸⁴ Interview 14/06/04.

¹⁸⁵ Durban Growth Coalition consists of the Premier of the Province, Provincial Minister of Finance and Economic Development, Durban's Municipal Manager, the head of the Durban Chamber of Business, and a secretary – Andrzej Kiepiela.

Leadership

There was a clash of personal leadership styles between local council leadership and metropolitan council leadership which tended to exacerbate metro-local relations.¹⁸⁶ The Metropolitan Council mayor was, correctly or incorrectly, perceived by local council leadership to be representative of an older faction in the ANC that was more accountable to business and national interests than to the interests of rank and file party members. Perhaps in the light of the perceived disjuncture between the political and economic elites, this was necessary. Freund and Lootvoet (2004) draw attention to how ANC politicians and big business came together to define common goals during this period.¹⁸⁷ This perhaps provides grist to the mill of the local council leaders who presented themselves as more representative of the ordinary members of the electorate and ANC membership. However, the power of the Mayor to pursue and realise large catalytic projects appears relatively immune from these local councillor concerns during this period. This is partly because the spatial reorganisation of the ANC's branch structure lagged behind the spatial restructuring of the local councils. Thus opposition to his leadership could not be co-ordinated or mobilised at the relevant geographic scales within the local party structures. In addition the Mayor had mobilised the support of provincial and national leadership within the ANC to secure his position. Thus, as a result of contestation over priorities, a clash of leadership styles, and an apparent lack of accountability to the poorest areas of the city, the Metropolitan council appeared to be more in favour of generating economic growth through large catalytic projects. The local councils appeared to favour more direct forms of investment in basic needs infrastructure that would immediately improve the living conditions of their constituents.

¹⁸⁶ Glen Robbins, Interview 14/06/04; Kisa Dlamini, Interview, 06/04/04.

¹⁸⁷ See also Moffett and Freund (2002).

When the party branch structure was synchronised with the new local government boundaries the interests expressed through the local Ward councillors were able to organise more effectively and curtail the power of the metropolitan mayor. Although, as I will suggest in the next chapter, this did not necessarily displace the dominant view of economic growth and its role in alleviating poverty that was emerging. Despite the dominance of this view of economic growth there remained very strong investment in infrastructure and an enlightened informal settlement policy was implemented. Consequently, it proved difficult to realise the more ambitious 'big-projects'.

In sum, this section has considered four different institutional activities that contributed to the understanding of poverty as a policy priority in Durban between 1996 and 2001. I have explored how these four different activities to reduce poverty – restructuring local government, poverty research, development approaches and local politics – reinforced, stretched and inflected the understanding of poverty reduction as a priority. This points to the ways in which understandings of poverty inform and are driven by institutional activities.

4.3 Conclusion

I suggested that understandings of poverty were inscribed at the centre of a series of problematic historical and contemporaneous processes. By way of example, the activity of governing and managing the city, the spatial form of the city, and the existence of poverty could all, in their different ways, be traced back to Apartheid and hence for the new ANC-led government, required drastic change. Economic growth (or rather its absence) was also understood to be a complex function of the racially divided management of the city, the inefficient apartheid urban form, and was thought of as a fundamental cause of high rates of poverty (as suggested in the broader theories of poverty in the previous chapter).

It follows from this view that how poverty emerged as a priority was partly related to the ways in which poverty was defined and partly how political interests that were invested in different definitions played out in local processes.

Firstly, this central inscription made poverty a reference point in a period of uncertainty and profound transformation of local government in Durban and contributed to poverty being considered as a priority policy issue by policy makers in Durban. Secondly, this understanding informed, and was given content by, different local activities. I argued that the understandings of poverty (that take at least some inspiration from broader international accounts of poverty) as a policy priority issue were entangled in local activities. Consequently, the activities engaged in to change the processes that were considered to result in poverty were integral to producing the understanding of poverty as a policy priority. Given the inscription of poverty at the centre of these problematic processes by policy makers, there were inevitably many activities and interpretations of how to address the processes that resulted in poverty. One way in which Durban's policy makers managed this diversity was to adopt a broad framework of development priorities with the ultimate aim of reducing poverty. Durban's long-term equitable development was understood as requiring local government to meet three (occasionally competing) priorities – service delivery, meeting social needs, and economic growth.

Despite attempts to use the framework of development priorities to contain diverse understandings of poverty, the different priorities brought poverty into view in different ways. For example, the existence of a metropolitan authority revealed how unequally the city had developed, and how the Apartheid local government was entangled with this form of development which ushered in possibilities of redistributing the city's resources more equitably. The legacy of urban Apartheid could be measured more or less tangibly through the disparities in service provision, investments, fragmentation of the city, high costs imposed

on Black households through the peripheral locations of many Black settlements, insecurity, exposure to environmental hazards and risks and economic exclusion. So the delivery of infrastructure and services to meet basic needs was also crucial to addressing poverty. Finally, economic growth emerged as a central element in poverty reduction strategies in Durban.

In Chapter Two, I noted how definitions of poverty in South Africa were increasingly being framed in economic terms and economic growth policies were being considered as one of the, if not the, most important means of reducing poverty. In Chapter Three, I examined how theories of poverty incline poverty researchers to gloss over the ways in which poor people's economic activities contribute to economic growth and proffer strategies of absorption, connection, and inclusion in processes of economic growth as mechanisms to reduce poverty. In this chapter, I recorded how economic growth is considered an increasingly important goal for local governments to pursue and facilitate in the cities that they manage and govern. This is because of the view that poverty is urbanising and hence urban local governments face a greater challenge in providing for the well-being of their citizens. It is also in order to deal with the legacies of impoverishment resulting from years of urban Apartheid and because cities are increasingly coming to be seen as the primary sites of generating *national* economic growth and hence, responsible for the well-being of the nation. In addition to the imperatives on local government to act, resulting from direct encounters with the material deprivation and hardship faced by local citizens, this double layer of responsibility created pressure to accept conventional and well-researched understandings of the role of economic growth in alleviating poverty. In the following chapter, I will examine how one account of the relationship between poverty and economic growth emerged as dominant in the city of Durban.

five

Poverty politics in Durban

Bill Freund remarks that in Durban:

“... the ANC dominated metropolitan government has moved effectively to try to distribute amenities more fairly throughout, but this is not, of course, the same as distributing economic activities or creating a more accessible field for accumulation available to much larger numbers of people” (2002b, 154).

The purpose of this chapter is to explore why the distribution of economic activities has remained limited in Durban. In particular, I examine how policy makers understood the relationship between poor people's economic activities and economic growth in formulating the city of Durban's current long-term development policy. In so doing, I aim to point to some important consequences of this understanding for the future equitable development of the city. The analysis therefore remains with the local government of Durban as a site of institutional poverty practice and I again look back to the period of 1996-2001 because this is when the process of developing the current long-term development policy framework gathered momentum.

The formulation of Durban's current long-term development policy has tended to be held together by the perceived interdependence of three priorities, broadly defined as social development, service delivery, and economic development (cf. eThekweni Municipality 2001, 8).¹⁸⁸ Although the complex interdependence of these three policy priorities is commonly acknowledged by local policy makers, we should not mistake this acknowledgement for meaning that the three priorities are always equally emphasised. The process of formulating a long-term

¹⁸⁸ The reasons for these priorities are undoubtedly diverse. However, it is possible to single out the importance of the understanding of the impoverishing legacy of urban Apartheid and South Africa's post-Apartheid Constitution.

development vision for the city of Durban is therefore useful for bringing the differences in emphasis of the priorities to light, which tend to be obscured in representations of the long-term vision as harmoniously developed and agreed upon. I will suggest that such representations are one of the means by which the assumption that poor people's economic activities cannot contribute to economic growth comes to be taken-for-granted in Durban. In addition, an examination of the long-term visioning process is useful because it culminates in widely agreed upon and accepted policy statements to guide the future of Durban's development. These statements cohered in the Long Term Development Framework (LTDF) (eThekweni Municipality 2001) and proclaim the basis for guiding the formulation of the Council's shorter-term Integrated Development Plan (IDP) process. The LTDF also sets out the Council's annual strategic budget priorities that will guide budgetary allocations between the three development priorities (eThekweni Municipality 2001, 13).

I will show that eThekweni Municipality's current long-term development policy – the LTDF – *does not consider poor people's economic activities as being able to contribute to the economic growth of the city*. Consequently, this suggests that institutional poverty practices around policy formulation in Durban can be regarded as *complementary* to the broader processes of defining and theorising poverty discussed in the previous chapters. This points to ways in which local government experiences in Durban are folded into wider national and international processes of defining and theorising poverty (cf. Øyen, Miller, and Samad 1996).¹⁸⁹ As I will suggest later in this chapter, an assumption of the universal applicability of poverty theory by policy makers in Durban has contributed to their inability to see poor people's economic activities as contributing to economic growth. Local policy making therefore inherits the theoretical inability to make 'visible' and 'sayable' poor people's economic

¹⁸⁹ There are many examples where experiences in Durban can be observed as being written into wider processes of formulating theories and practices around poverty reduction. By way of example, see Pieterse (1998) and United Nations Human Settlements Programme (2003).

activities in relation to economic growth. However, I suggest that to the extent that it is possible to isolate the development of ‘abstract’ definitions and theories of poverty from ‘local’ practices and discourses, they have both been important in shaping Durban’s poverty politics.

I therefore aim to explore why it seems ‘natural’ and obvious to Durban’s policy makers that poor people’s economic activities do not contribute to economic growth. I have anticipated this aim by already hinting that (inevitably) the LTDF must iron out disagreements and contradictions between the three development priorities and pointing to assumptions held by policy makers concerning the universal applicability of poverty theory. I will elaborate these points as the chapter proceeds. I argue that one of the reasons why poor people’s economic activities are not considered by Durban’s policy makers to contribute to economic growth is because of the way in which the concept of economic growth is understood by policy makers to be co-extensive with Durban’s formal economy and bounded in particular locations. It has also been shaped by the perceived importance amongst politicians of an economic agenda for the city’s development. Some of the reasons for this emerged in the analysis of the previous chapter. These include local political dynamics within the ANC, but can also be ascribed to the overall lack of an alternative vision of economic growth to the conventional and dominant view outlined at the start of Chapter Three.

However, to suggest that eThekweni Municipality – as a site of institutional practices of poverty alleviation – is complementary to broader processes is not to see the eThekweni Municipality as *subsumed* by these processes. While the eThekweni Municipality (and Durban) is enrolled in, and invokes broader definitional and theoretical processes, it *simultaneously* exceeds these processes (cf. Parnell 1997). Local demands intersect with national priorities and competing discourses in diverse ways that Amin and Thrift (2002) suggest characterise any city. Alongside the processes of formulating the long-term

development vision, poor people's economic activities emerge in a number of different aspects of the economy such as the informal economy. These aspects of poor people's economic activities are referenced in the LTDF and in local poverty research. Although these other aspects to Durban's poverty policies confirm the dominance of the view that poor people's economic activities do not contribute to economic growth, their existence is important for thinking about Durban's economy in a different way. Thus, the refusal to see Durban and eThekweni Municipality as subordinate to broader definitions and theories of poverty is important because it opens up new possibilities for developing these other aspects and thinking anew about the relationship between poor people's economic activities and economic growth. It is worth recalling from the previous chapter that cities have come to be considered as central to the relationship between poverty and economic growth and are a key site of institutional poverty practices. A focus on the city of Durban is therefore an important 'site' through which it is possible to begin to shift the dominant understanding of the economy and economic growth.

The chapter consists of three parts. In the first part, I focus on the three (competing) development priorities to trace the evolution of a long-term city visioning process. This city visioning process proceeds through the preparation of a Long Term Development *Strategy* (LTDS) to the formal acceptance of a set of policy statements expressed as the Long Term Development *Framework* (LTDF). As part of the LTDS, I consider the Monitor Group's (2000) research report as one of the clearest attempts to represent Durban's economy and its prospects for economic growth. In the second part, I consider a range of other aspects of Durban's economy and concentrate specifically on policy and scholarly work undertaken in relation to the informal economy as this offers an important basis for the analysis that is to follow in Chapter Seven. In the third part, I reflect on the consequences of the view that poor people's economic activities do not contribute to economic growth for the future equitable development of Durban.

5.1 Durban's long-term city visioning process

I begin this section by providing a brief overview of the long-term visioning process before considering it in detail to explore why policy makers regarded poor people's economic activities as being unable to contribute to economic growth. Throughout this section I trace the evolution of the relationship between the three interdependent yet competing development priorities that I have suggested informed Durban's long-term development vision. The different ways in which policy makers represent the relationships between these three priorities provides a mechanism for tracing the continuities and discontinuities of thought during the process. These continuities and discontinuities are important to consider because they are used by policy makers to frame the visioning process at different stages in the formulation of policies. The ability to present policy processes as continuous or discontinuous in certain ways is a function of power that secures the taken-for-granted (Hastings 1998; Mitchell 2002). Thus, the acceptance of continuities and discontinuities, in turn, signal one of the ways in which poor people's economic activities are understood by policy makers to be unable to contribute to economic growth in Durban.

The long-term city visioning process began in 1999 and in preparation for a metropolitan authority. In anticipation of a metropolitan authority, the Durban Metropolitan Council had established a Unicity Committee.¹⁹⁰ One of the primary purposes of the Unicity Committee was to develop a holistic and integrated view of the future development of the metropolitan area over a 20-year period. The Unicity Committee began a long-term city visioning process known as the Long Term Development Strategy (LTDS). At this point there are two points to note about the LTDS. The first is that it was structured in terms of the three development priorities of social development, service delivery and

¹⁹⁰ The Unicity Committee consisted of the Metropolitan Mayor and 15 metropolitan-level councillors and was supported by a project team of senior local government officials.

economic development. The second point is that as part of the preparation of the LTDS, the international consultancy Monitor Group were appointed to analyse the prospects for economic growth in Durban. I return to this report and its effects later in the chapter for they are important to the argument I am developing and require detailed analysis. For now, I continue with this introductory overview locating the long-term visioning process against the backdrop of the dynamics and issues of the previous chapter.

In the lead up to the local government elections in December 2000, the LTDS project team recognised that the “the timing for this project [was] not ideal for the development of strategy ... [since the] ... emergence of the new Unicity structures, and the political process under which this structuring [would] take place, [would] render some of the necessary debate either premature or incomplete” (Unicity Committee 2001, 2). This recognition portended the eclipse of its proposals (although not in the manner in which the Unicity Committee expected). Indeed, eventually the LTDS was short-circuited by a range of local processes and never came to fruition in the form originally anticipated.¹⁹¹ Nonetheless as I will show, many of the key issues structuring the relationship between poor people's economic activities and economic growth that were set out in the LTDS process flowed into Durban's current development framework. As noted in the previous chapter, the completion of the transformation of local government in South Africa was marked by the elections in December 2000. These elections established the eThekweni Municipality and 200 councillors were elected across the 100 re-demarcated wards.¹⁹² It is worth recalling from the previous chapter, that the demarcation of the ANC's local branches coincided with the re-demarcation of the city and meant that interests within the ANC could mobilise more effectively and ostensibly curtail the power of the Metropolitan Mayor and the development approach he favoured. The

¹⁹¹ Dan Smit, Interview 30/08/05.

¹⁹² Representation is based on one Ward councillor per ward and 100 additional councillors elected on a proportional system from political party lists.

Metropolitan Mayor had presided over the LTDS process and at the point at which it was expected that the LTDS would inform decisions about the future direction of development, a significant group of interests amongst the new councillors were able to generate enough unease as to encourage the Metropolitan Mayor to defer this decision making process into the preparation of a relatively more flexible long-term development framework. This process resulted in the formulation of the current Long Term Development Framework, which was later accepted and agreed upon by a wide range of stakeholders in the city's development (Moodley 2004). With this introductory overview, I turn now to examine the policy debates and how these were structured in terms of balancing competing development priorities within the long-term visioning process. I analyse how these competing development priorities consistently informed the overall visioning process and eventual vision of Durban's development that was agreed upon.

5.1.1 Long Term Development Strategy

In this section I introduce the LTDS, its aims and how debates about the three competing development priorities led towards the appointment of the international consultancy company, Monitor Group. As suggested in the introduction to this chapter, it is important to consider the LTDS process because there are both continuities and discontinuities with the final policy statements in the LTDF.

Vidhu Vedalankar was appointed to manage the process of formulating a long-term view of Durban's equitable development. The team assembled by Vedalankar were of the view that a holistic and integrated development process required a long-term view of Durban's development.¹⁹³ The understanding of

¹⁹³ Dan Smit, Interview 30/08/05.

poverty as inscribed at the centre of series of complex political and historical processes generated an acknowledgement that it would be difficult to reduce poverty in Durban. Nevertheless, the possibilities that it is possible to change cities was informed by local research on cities as diverse as “Singapore, Curitiba, Cleveland, Baltimore and Pittsburgh” (Unicity Committee 2001, 1). However, it was clear that significant change was not achievable overnight and hence, the importance of adopting a long-term perspective.¹⁹⁴ Moreover, Vedalankar and her team also recognised that it was difficult to coordinate urban change because “different processes unfold at different rates”.¹⁹⁵ By ‘different processes’ she meant how to integrate local politics, ‘socio-economic development’, and ‘sustainable economic growth’ (Unicity Committee 2001, 1). In her view, the only solution was to “see things in their totality ... [and] ... see the city as a whole” and within a long-term framework.¹⁹⁶ The difficulties of transforming the development direction and staff programmes of the municipality were also becoming apparent and it was recognised that time was needed for this process. To this end, the Unicity Committee accepted the proposal to prepare a Long Term Development Strategy (LTDS) for Durban.

The LTDS was informed by the view of poverty that drew primarily on basic needs theory and thus, that “there are always too few resources for the needs. It is therefore necessary to grow and use resources wisely and to direct them efficiently towards the actions required to reach the vision (Unicity Committee 2001, 40). It is worth recalling that basic needs theory creates a dilemma for policy makers by introducing a trade-off between investment in poor people’s consumption and long-term productive investments. A central objective of the LTDS was therefore to make outcomes and choices explicit so that local politicians could be clear about the potential implications of particular decisions.

¹⁹⁴ Vidhu Vedalankar, Interview 29/07/04.

¹⁹⁵ Interview, 29/07/04.

¹⁹⁶ Vidhu Vedalankar, Interview 29/07/04.

The LTDS was structured in terms of three working groups that were organised around the three priorities of economic development, infrastructural development, and social needs groups.¹⁹⁷ The issue of poverty was included within the terms of reference of the social needs group. Vedalankar recalls that they tried “to do a new take on poverty ... trying to take a broader perspective ... that moved away from handouts to broadening access to opportunities”.¹⁹⁸ As part of this process, the LTDS drew on an initiative of the United Nations Development Programme (UNDP) to ‘mainstream’ issues such as poverty, gender, and HIV and AIDS into the main development agenda. In this way, poverty was expressed as an issue that cut across all of the three Unicity groups.¹⁹⁹ This means of integrating the understanding of poverty across development issues gave content to the need to deal with poverty reduction as a priority and could perhaps be argued as the main achievement with respect to addressing poverty of the LTDS. Although the LTDS attempted to incorporate a broader broader notion of social upliftment embraced through the participatory development experiences of Bheki Nene²⁰⁰, Vedalankar argues that “we didn’t take it very far”.²⁰¹ In fact, a poverty framework was never finalised because the LTDS was never adopted although the analysis of poverty persisted as the long-term visioning process evolved.²⁰² The view of poverty that prevailed, of income poverty, was a relatively narrow interpretation of work done by Casale and Thurlow (1999).

The LTDS project team were of the view that the three competing development priorities could not be pursued in isolation and policy makers recognised a complex interdependence.²⁰³ But within this interdependence, there was plenty of scope for debates about the sequencing and relative resourcing of the different

¹⁹⁷ Dan Smit, Interview 30/08/05.

¹⁹⁸ Interview 29/07/04.

¹⁹⁹ Linda Mbonambi, Interview 10/06/04.

²⁰⁰ Bheki Nene was deputy-CEO of the Inner West local council and was co-opted into the process of the LTDS to manage the ‘social needs’ working group.

²⁰¹ Interview 29/07/04.

²⁰² Linda Mbonambi, Interview 10/06/04.

²⁰³ Linda Mbonambi, Interview 10/06/04.

priorities. Indeed, throughout the long-term visioning process there is constant disagreement about the relative weighting of the three priorities.

The LTDS refracts the local political dynamics between those favouring a 'delivery-at-scale' approach (placing more emphasis on social development and service delivery) and others preferring a 'big-project' approach (with more emphasis on economic development) by attempting to establish a clear basis for one or the other approach to reduce poverty. I noted how an important tension in the transitional period was over the development approach considered most likely to reduce poverty. There has been a history of catalytic 'big projects' in Durban and this throws the importance of the perceived disjuncture between the political and economic elite into stark contrast. The origins of these large projects is often traced back to local 'coalition' frameworks for business interactions (cf. Robinson and Boldogh 1994; Freund 2002a; Moffett and Freund 2002).²⁰⁴ Kiepiela recalls that during the period of Operation Jumpstart²⁰⁵

"we met at 7am at least every two weeks for about a year and a half and we planned. It was virtually an unofficial [Executive Committee] of the city. Not all political parties were involved... we looked at how to use the assets of the city for the new developments ... [and] we restructured the finances of the city without any officials and when they were ready, they put it through the official channels and ... that's how the ICC²⁰⁶ was financed. It was all informal, it had no legal binding on each side and that was the beauty of the whole thing ... it was done on a consensus basis among those people who had the majority".²⁰⁷

It was perhaps the continuation of these historical practices that concerned Vedalankar when she commented that the problem with the 'big-project'

²⁰⁴ Interview, 22/06/04.

²⁰⁵ Operation Jumpstart was a 'coalition' that emerged in the late 1980s that brought together local business leaders, progressive planners, and respected activists in the struggle against Apartheid. The coalition was formed as a means of catalysing much needed infrastructural development in a forum that was not associated with the local Apartheid state. The coalition closed in 1995 when legitimate local government was established.

²⁰⁶ International Convention Centre

²⁰⁷ Interview 22/06/04.

approach is that “approval happens outside of formal processes and so may not link to any other plan that the city has”²⁰⁸ (see also Benjamin 2000).

In order to assess the validity of the different economic development approaches for poverty reduction, the Unicity Committee appointed the international consultancy Monitor Group to undertake research on the best means of achieving economic growth.²⁰⁹ Vedalankar notes that the reason for appointing Monitor Group was that “...what had happened in Durban is that we were very much driven by a ‘big-project’ agenda in terms of the economy”.²¹⁰ Hence, Vedalankar was “keen to get a more scientific understanding [of economic development] to the extent that it is possible, because with economic growth, one can never say”.²¹¹ Vedalankar’s recollections of Monitor Group’s appointment are evocative of the debates and discussions of the time. She argued that there was

“... a need to look at the Durban economy as a whole and test what we are saying. If we are right, we are right. And I remember having these arguments and debates with Viv McMenamin because we disagreed on a lot of this stuff because she was quite happy that they were on the right track. Obviously, because she was heading the economic stuff and I said no, lets test it. Lets bring in [Monitor Group]. They’ve done this in other places and one thing they can do is do that type of analysis of sectors and how they’ve grown and compare them to other places ... and bring in that perspective also of how things have worked in other cities, and even internationally. That’s why we brought Monitor in”.²¹²

Vedalankar comments that

“although we did bring [Monitor Group] in to do the assessment of the economy, as far as I was concerned I was quite clear, that the economic section wasn’t going to drive it and be the answer to everything, whereas it was important ... I think that the work they did was invaluable. I liked the work they did, it was just on the economic stuff not on the rest. I told them... I said they didn’t have a city development *perspective*” (my emphasis).

²⁰⁸ Interview 29/07/04.

²⁰⁹ In discussions of urban economic development, this consultancy is typically associated with Michael Porter (1990; 1995) even though he is only one of a number of highly-recognised scholars that are part of Monitor Group.

²¹⁰ Vidhu Vedalankar, Interview 29/07/04.

²¹¹ Vidhu Vedalankar, Interview 29/07/04.

²¹² Vidhu Vedalankar, Interview 29/07/04.

The Monitor Group was initially requested to prepare a city development *plan*.²¹³ Vedalankar had seen the work that Monitor Group had undertaken for the Johannesburg council and wanted a similar study for Durban.²¹⁴ However, the preparation of a city development plan proved unaffordable to the Unicity Committee and the terms of reference were then scaled down to an economic analysis of how to achieve economic growth to create employment.²¹⁵ The focus in the terms of reference on economic growth to create employment was an important element of the process. It shaped the recommendations that emerged from Monitor Group's research report entitled *Durban at the cross-roads* (2000). I turn to consider the research and recommendations, and effects of this research that emerged.

5.1.2 "Durban at the cross-roads"

Glen Robbins observes that in his experience of promoting economic development in Durban, "analysis and policy don't always emerge from the same place".²¹⁶ It is worth keeping this distinction in mind throughout this section as I will suggest that the Monitor Group report had two different, if ultimately, complementary effects in Durban. Their analysis tends toward a very particular view of economic growth that relates to an interconnected set of factors such as competitiveness, sustainable job creation, productivity, and market accessibility in a global sense. However, the effect of the report on policy was to consolidate the dominance of an economic agenda in the city's plans.

The Monitor Group report is framed within the growing sense (noted in the previous chapter) that Durban's 'platform for economic growth' is eroding. Monitor Group (2000, 5-8) summarise a number of economic challenges faced

²¹³ Dan Smit, Interview 30/08/05.

²¹⁴ Vidhu Vedalankar, Interview 29/07/04.

²¹⁵ Vidhu Vedalankar, Interview 29/07/04.

²¹⁶ Interview, 14/06/04.

by the city. These include, declining average per capita incomes, low economic growth rates, rising unemployment, a skills deficit, high inequality and the historical racial concentration of economic power among White elites. To some extent Glen Robbins feels that this sense of decline was hyped up by the Monitor Group's report because their approach is to "bring you to a precipice, and show you what the worst scenario would be, and get you to jump and make some quick decisions".²¹⁷ However, the perceived need to make quick, bold decisions was given added weight. At the time the report was released, protracted negotiations and hopes to redevelop an inner-city waterfront area (The Point) failed and were seen as another example of Durban falling behind.²¹⁸ Robbins recollects, "all this did was to up the pressure [on the Municipality] to come up with solutions".²¹⁹

In the Durban report, the Monitor Group draw on Michael Porter (1990; 1995) and Fairbanks and Lindsay (1997) to argue that the global economic map has changed. This is based on an economic assumption that the engine of growth is no longer the nation but the firm (Fairbanks and Lindsay 1997). Monitor Group point out that the structure of Durban's economy which had developed behind protectionist tariffs (during the years of Apartheid) is no longer in-tune with global developments where tariffs are being lowered. They argue that with increasing globalisation, the most important resource for economic growth is for firms in cities to become accessible in global economic networks. The assumption is that "once such enhanced accessibility is achieved ... the latent comparative advantage of a locality will come to the fore, largely through more pronounced exposure to global market signals" (McCarthy 2002, 313). Underlying this view is the assumption that open, competitive and unregulated markets represent the optimal mechanism for economic development (Brenner and Theodore 2002). The report also reflects a wider reversal in thinking in that "the present is no longer the logical development of the past; rather it is increasingly the hostage to

²¹⁷ Interview, 14/06/04.

²¹⁸ Andrzej Kiepiela, Interview 22/06/04.

²¹⁹ Interview, 14/06/04.

the future in the double sense of the spectre of riches and of deterioration accompanying the globalisation project” (McMichael 1998, 96). The key role for eThekweni Municipality to secure future economic growth was, then, to enhance accessibility through investing in the ‘economic platform’ of the city (Thurlow 2002).

The concept of an ‘economic platform’ is key to Monitor Group’s analysis and the argument I am developing because it represents their understanding of the basis for economic growth. The platform for growth describes the “type of environment that will enable and inspire firms to build advantages” (Monitor Group 2000, 9). It includes: the skills base, infrastructure, demand conditions, firm strategy and rivalry, and related and supporting businesses (Monitor Group 2000). The interaction of the different platform elements implicitly creates an *internally coherent* ‘economic system’. In Monitor Group’s view, government is not a platform element, but along with ‘chance’, can influence the platform elements and their interactions. A growing economic system exists when the different platform elements are positively reinforcing each other. The implication of this view is that the logic of competitiveness is essentially aspatial and beyond the control of local government. While local government can influence the level of competitiveness of the city it is essentially driven from elsewhere. It is also important to note that implicit in this view of the ‘economic system’ is that local residents only fulfil a *consumptive* role as a “sophisticated local customer base expecting the latest innovations and the highest quality standards” (Monitor Group 2000, 9). Working from within this perspective, economic growth in Durban is identified in the report as only occurring in “advanced sectors of the economy – sectors which have the potential to produce high income and to have multiplier effects” (Monitor Group 2000, 10). The ‘struggling informal economy’, where it is recognised by Monitor Group that the most employment creation is recorded, is accorded some attention, but in their view (where economic growth is measured in terms of output) these informal economic activities “lack skills”,

“finance” and are “fragmented” and are therefore unable to compete and “take growth opportunities” (Monitor Group 2000, 13). By definition therefore, these informal economic activities and the areas where they take place are not part of the economic growth plan for the city. Thus, to the extent that Monitor Group’s analysis is adopted by the policy makers, this is one of the ways in which Durban’s ‘economic map’ is configured in a way that excludes the activities of many poor people from consideration as a source of growth. I turn to consider another that emerges through Monitor Group’s conceptualisation of the relationship between infrastructure and space.

The ‘economic system’, as Monitor Group defines it, represents a particular and homogenous sphere of rationality which (local) government should support and encourage through the spatial provision and maintenance of infrastructure for globally competitive industries, through building entrepreneurial and technological skills, helping firms network, and supporting geographical clustering. It should be noted that this understanding of an ‘economic system’ is not far off the concept of ‘enclaves of economic growth’ identified by Lewis (1976) and analysed in Chapter Three. The emphasis in the Unicity Committee’s brief to Monitor Group to focus on economic growth as a means of creating employment²²⁰ is arguably part of the reason that Monitor Group distinguish between creating jobs and creating *sustainable* jobs and leads to the recommendation to focus on the formal economy as the source of this new sustainable employment. What is striking about the analysis that follows is that it directs local government to focus on existing infrastructure first and *only then* extend from this base. Indeed, Monitor Group (2000, 59) go on to explain that infrastructure spending must be differentiated because spending “must build the economic platform” (because) ... if not, it does not regenerate the growth machine”. In a context of limited resources, there are therefore trade-offs to be

²²⁰ In the context of the PSLSD results and feedback from local communities the political imperative in terms of addressing poverty, was understood at the time to be to create employment.

made between infrastructure spending that enhances the prospects for growth and spending that meets basic needs and services.

This is justified in the report because it is the development of the formal economy that will lead to the formation of a “virtuous circle” through creating sustainable, innovating jobs. Monitor Group argues that if the city seeks to support the economic activities of the poor it will generate a “vicious circle” (2000, 48). This is because seeking growth for the poor by helping people enter the economy at points where the barriers to entry are low, only props up “marginal informal businesses”. This in turn, “negatively affects the supply-demand balance and causes prices and industry attractiveness to decline” because the local authority is subsidising these activities. This causes “incomes to decline and informal businesses to fail, increasing the need for job creation and help for the poor” (Monitor Group 2000, 49).

However, job creation aimed at building the economy requires the “city to analyse industries and look for ways to help build strong small businesses” (Monitor Group 2000, 49). These interventions result in “fewer high quality jobs, innovation and stable or rising prices – this produces increasing sales, profits, employment and per capita incomes” (Monitor Group 2000, 49). This, in turn, leads to “more equitable distribution of wealth and provides the city with more resources to put into interventions, thereby completing the virtuous circle” (Monitor Group 2000, 49). In effect, this amounts to channelling resources for job creation to the formal economy rather than the ‘informal economy’. According to Monitor Group it is only through a form of economic growth that will absorb and provide revenue to sustain new infrastructural connections to poor people that the gap between the rich and poor will be closed. This leads to the view, most commonly expressed amongst big business interests in Durban that, it is necessary to first grow the economy before it is possible to engage in

redistribution.²²¹ This trade-off between productive and basic needs infrastructure is based on the assumption in income poverty theory that the poor consume all that they earn and that it is therefore dependent on the non-poor to save and provide the resources for investment. To support the short-term consumption needs of the poor is to detract from long-term investments in greater productivity and economic growth and adds to the trade-off introduced in relation to meeting basic needs, noted earlier in the chapter.

I noted earlier that a key continuity between the long-term visioning process, LTDS, Monitor Group (2000) report, and LTDF were the three key (competing) development priorities of social development, service delivery, and economic development. I will trace these through from the LTDS to LTDF but it is important to consider how they were represented in the Monitor Group (2000) report. To my mind, the emphasis among the (competing) priorities falls relatively more on economic development in the LTDF and the inflection of these competing development priorities with an economic twist is important for securing the dominance of an economic agenda for the city. The three development priorities of ‘people development/social development’, ‘service delivery/quality of life’, and ‘economic development’ are narrowed down to “platform challenges” by Monitor Group (2000, 23). Thus, addressing the legacy of apartheid translates into strategies to ‘rise to the challenge of trade liberalisation’, stimulate the growth of smaller and medium size enterprises, and develop the skills base of the city’s residents (Monitor Group 2000, 24). The ‘quality of life’ criterion is reflected as making Durban a ‘quality of life destination’ for highly skilled residents, upgrading existing infrastructure and, particularly in relation to the port, supporting economic clustering. ‘Economic development’ is given content as the areas of the economy that Durban will be able to compete in, at a global scale. For Monitor Group this involves building Durban’s logistic hub capabilities and focusing on specific areas of economic

²²¹ Andrzej Kiepiela, Interview 22/06/04 and Amman Maharaj, Interview 9/06/04.

“strength which will differentiate Durban’s platform for global growth” (2000, 25).

In sum, the relationship between poor people's economic activities and economic growth, in Monitor Group's view, is one where these activities are generally thought to be unable to contribute to economic growth although they do see them as essential to poor people's economic survival. The (internally coherent) system that emerges through the interaction of the platform elements circumscribes a bounded and homogenous sphere of 'competitive' rationality. This sphere of rationality is mapped against the spaces created by 'productive infrastructure'. Poor people cannot be part of this sphere of rationality because they lack skills and knowledge and their activities are too fragmented to take advantage of large, productive infrastructure and thus, growth opportunities. To the extent that poor people's economic activities contribute to this economic system it is as consumers. The apparent disconnection between poor people's economic activities and economic growth is to be reduced through absorbing poor people into sustainable, formal employment. Consequently, this line of Monitor Group's reasoning secured the importance of the concept of a 'platform for economic growth' in the future development thinking of Durban's policy makers.

However, opinions are divided on the ultimate impact of Monitor Group's final report (2000).²²² Linda Mbonambi does not “think that [Monitor Group] went far enough in trying to understand poverty”.²²³ Indeed Monitor Group themselves state that although there is a “clear political desire and imperative” to engage in redistribution, it was not a focus of their research (2000, 66). Andrzej Kiepiela of Durban's Growth Coalition described the Monitor Group report as their 'bible' and that until the publication of the report, formal business “did not

²²² Vidhu Vedalankar, Interview 29/07/04; Glen Robbins, Interview, 14/06/04.

²²³ Interview, 10/06/04.

know what the real position of the City was” on economic development.²²⁴ It is worth recalling from the previous chapter, that both municipal officials and big business in Durban were fairly cautious of each other in this period. However following its publication, this report became formal business’ “frame of reference”.²²⁵ Jeff McCarthy (2002) remarks that the appointment of Monitor reflects less about the recommendations of the ultimate report than the growing power of this type of analysis. Indeed, the effect of the report was to consolidate the importance of the City having an economic development strategy (Hall and Robbins 2002) and is consistent with the assumption that cities have an increasing role to play as the primary sites of economic growth. Thus, Robbins points out that the Monitor Group report “pushed the strategy into a new era. By giving that stamp of Michael Porter to this process ... made it, to some degree unassailable”.²²⁶ Robbins comments:

“What the Monitor process did was assert once and for all the *dominance of an economic agenda* in the city plan. Everyone was exposed to it, they all bought into some bits of it at least. What had been quite consistent contestation about whether a city should even bother about economic development issues, prior to that, was sort of brushed aside” (my emphasis).²²⁷

This points to the ways in which the report had two different, but complementary effects. On the one hand, economic growth is understood to be co-extensive with the formal economy, and both the formal economy and economic growth, in turn, are regarded as co-extensive with specific bounded spaces in the city. On the other hand, effects of Monitor Group report are to assert dominance of an economic agenda amongst the three development priorities. This appears to have contributed towards the politicians and policy makers involved in the LTDF effectively conflating an overall city development vision with a city vision with an economic growth agenda. It is therefore to the LTDF that I now turn.

²²⁴ Interview 22/06/04.

²²⁵ Andrzej Kiepiela, Interview 22/06/04.

²²⁶ Interview 14/06/04.

²²⁷ Interview, 14/06/04.

In the previous chapter I drew attention to the jostling for local power, differences over development approaches, and the differences between (at this stage historical) metropolitan and local interests, shaped the ways in which poverty became important. Inevitably, given the issues and horizon of transformation that the LTDS set itself, it became caught up in the politics between the Metropolitan councillors and the local councillors that in turn tended to coincide with the divisions between the big-projects/scale-up approaches and politics internal to the ANC. Vedalankar recalls that with the Unicity on the horizon, the two different development approaches of Metropolitan and Ward councillors came together and “both sides weren’t letting go at a political level”.²²⁸

5.1.3 Long Term Development Framework

Sogen Moodley²²⁹ (2004, 7) describes how in the initial months after the municipal elections in December 2000, the new councillors were anxious to “respond to emerging national legislation ... [and] ... pressure from within to take an inward-looking bureaucracy and transform it so that it would make a real difference in the lives of all its citizens”. The LTDS had produced a document that set out a number of choices about infrastructure standards and institutional arrangements for service delivery that the Unicity Committee believed to be relevant and appropriate. The LTDS had been explained at a caucus meeting of ANC councillors. The Monitor Group (2000) report had been circulated amongst the councillors and officials. As suggested in the previous section, the Monitor Group report consolidated the dominance of an economic agenda in the city’s long-term plans. But what the politicians also took from this report was a belief

²²⁸ Vidhu Vedalankar, Interview 29/07/04.

²²⁹ Sogen Moodley is municipal town planner and long-standing participant in the long-term city visioning process.

“that the most important thing is for the city to move rapidly to deliver on some key projects that would have a catalytic effect”, although Robbins opines that this was a secondary aspect of what the Monitor Group were proposing.²³⁰

The local political differences all came to a head, as the need for one clear programme of transformation and service delivery was demanded of the eThekweni Municipality. A three-day workshop of all 200 councillors and 50 senior municipal officials was convened at the Alpine Heath Resort to agree on a programme for transformation and service delivery that would underpin the future development of the city. Moodley (2004) records the general sense of unease among the participants at the start of the workshop. A sense of unease that was perhaps not surprising given the disparate interests and political agendas that convened. Astutely, the Mayor picked up on the unease and tension in his opening address (Moodley 2004).²³¹ In my view, he effectively deflected these tensions by deferring the decision-making process and downgrading the LTDS with clear choices and outcomes and decisions to be taken, to a ‘reference document’. The result of the workshop was an agreement that a ‘framework’ would replace the ‘strategy’. Despite the ‘downgrading’, many of the key ideas were carried through to the LTDF, which was agreed, but amongst a different set of political interests than those that had contested the LTDS.

There are various interpretations of why the politicians opted for the flexibility of a framework as opposed to the specificities of the way the strategy had been formulated. In Dan Smit’s analysis, the rejection of the LTDS at the three-day workshop of all the councillors, shortly after the December 2000 elections “was not so much a turning point as the factionalism within the ANC becoming more

²³⁰ Interview, 14/06/04.

²³¹ A major point of unease was the perception of a significant set of councillors, that the LTDS was not prepared in a participative enough fashion. This was despite the LTDS involving various forms of participation. This included an ‘External Stakeholder Forum’ comprising a select group of 27 representatives from different groupings, an ‘External Stakeholders’ Plenary’ comprising developmentally orientated organisations within Durban, and community and sectoral workshops to brief groupings and receive feedback (Unicity Committee 2001, 7).

overt”.²³² Thus this represents one of the first instances that a certain set of local political interests at the Ward level were able to challenge the power of the Metropolitan Mayor. From Kisa Dlamini’s²³³ perspective the challenge to the LTDS marked a major change in political control of the process with the councillors taking much greater control from the officials.²³⁴ In his opinion, the LTDS foreclosed political decision-making by being too technical too soon. Despite Vedalankar’s preference for a ‘delivery-at-scale’ approach to development she was perceived by the certain interests within the ANC councillors as being aligned with the a metropolitan view of development rather than a local view. This may have been exacerbated by the fact that the Metropolitan mayor chaired the Unicity Committee and his preference for ‘big-projects’.²³⁵ It is ironic that by ‘downgrading’ the LTDS, the Ward councillors representing poorer wards lost an important vehicle for policies for tackling poverty directly and the ‘big-project’/trickle-down relationship between the economy and poverty alleviation won out in practice. Thus the end result was that poverty reduction was expressed as being reduced primarily through the Municipality engaging in big, catalytic urban projects to restore confidence in the local economy with a commitment to providing a level of ‘basic’ services to those considered poor.

In my view, the shift from a ‘strategy’ to a ‘framework’ meant that the councillors effectively avoided the process of committing themselves to a clear strategy for transformation and service delivery by arguing for a more flexible framework and embroiling the process in more thorough participatory mechanisms. As I will show later, the result was that the dominant approach to poverty reduction remained centred on a ‘big-projects’ development approach to stimulate

²³² Interview, 13/08/05.

²³³ Kisa Dlamini is a respected former activist, who after working in the NGO sector was appointed as a manager in the Transformation Office of the eThekweni Municipality and had the responsibility of producing the LTDF.

²³⁴ Interview, 5/04/04.

²³⁵ The LTDS set out a range of options for service delivery standards, institutional mechanisms for service delivery that included public-private partnerships (that were particularly unpopular with councillors with a trade union background).

economic growth. Part of the reason for this must lie in the fact that there were no other coherent options for economic growth. In the previous chapter, I noted the (inconsistent) differences in development approaches. The understanding of city development expressed by Vedalankar was that the city required an overall development vision which had to address basic needs. This was because when the unemployment rate was so high the possibilities for using the formal economy to achieve significant change were regarded as limited. Whereas, the position expressed by McMenemy was that basic needs should be taken care of through national government social programmes and that the city should concentrate on promoting economic growth. At a very simple level the point of view expressed by Vedalankar has little purchase on the perceived need to promote economic growth to reduce poverty. Thus, the only option that speaks to the need for economic growth, is that put forward by McMenemy focusing on 'big-projects'. As I suggested in the previous chapter, the view of economic growth expressed by McMenemy and enacted by the EDD was far more nuanced and complex than a simple juxtaposition with a 'delivery-at-scale' approach suggests.

Irrespective of these nuances, the 'big-projects' approach fitted the politician's perceived need for an economic development agenda consisting of big flagship projects in the formal economy to inspire confidence and investment. The possibility of exploring other development approaches was forestalled because the politicians had effectively conflated a more comprehensive and balanced vision of city development with an economic development agenda. Thus, despite a more participatory process, it was effectively the only model of economic growth available and nobody questioned the basis on which economic growth was being calculated, least of all those focused on formulating Durban's poverty reduction policies.

An important discontinuity was that the staff that prepared the LTDS were replaced or eventually left. For example, a political challenge from one set of

interests within the ANC weakened Vedalankar's authority and ability to shape the process to the extent that she resigned before the LTDF was finalised. While the LTDS project team had maintained a distinction between the need for a long-term vision that could deal with processes unfolding at different rates and the shorter-term, more participatory requirements of the IDP process, the new staff conflated the processes.²³⁶ The advantage of this approach was that the Council could respond more quickly to short-term trends. The disadvantage was that it would be less likely to take a long-term view of development processes and iron out short-term anomalies.

But there is also a strong continuity that links the overall visioning process, including LTDS, the Monitor Group report and LTDF. By way of example, I trace the evolution of the three (competing) development priorities through the draft vision in the LTDS and the final version of the vision in the LTDF. Perhaps not surprisingly, while retaining the sense of interdependence between the three priorities, the emphasis shifts in the LTDF to the importance of economic growth.

One of the draft visions that circulated through the LTDS process is described in the box below and encompasses these three core concepts that inform the competing priorities:

Durban is Africa's most well-networked city

Where our fast growing economy is well-linked nationally and internationally and is providing rising per capita incomes and jobs for all our residents;

Where our people have good access to high quality living and working environments; and

Where our people are well educated and informed and share a common sense of identity and pride.

Source: (Unicity Committee 2001, 10)

²³⁶ Dan Smit, Interview 30/08/05.

At the Alpine Heath Workshop this was amended to read that Durban would enjoy:

“...the reputation of being Africa’s most caring and liveable city, where all citizens live in harmony. This vision will be achieved by growing its economy and meeting people’s needs so that all citizens enjoy a high quality of life with equal opportunities, in a city that they are truly proud of” (eThekweni Municipality 2001, 7).

In the final version of the vision, the three competing priorities are again reflected. ‘Caring and liveable city ... with equal opportunities’ relates to social development, ‘high quality of life’ addresses the service delivery issues and ‘growing the economy’ relates to economic development.

In the LTDF this vision is underpinned by a ‘new’ purpose of eThekweni Municipality as being:

“... to facilitate and ensure the provision of infrastructure, services and support, thereby creating an enabling environment for all citizens to utilise their full potential and access opportunities, which enable them to contribute towards a vibrant and sustainable economy with full employment, and thus create a better quality of life for all” (eThekweni Municipality 2001, 6).

As statements of vision and purpose, the final versions reflect the values of commitment, energy, care and duty that arguably characterised the dawning of Durban’s first fully democratic local government. Such statements are in keeping with the spirit of ‘developmental local government’ and reflect the progressive ideals of the Municipality’s post-Apartheid leadership (eThekweni Municipality 2001, 7). There are two issues that I believe are important to point out in relation to the final vision of the LTDF. The first is that the emphasis on ‘facilitating’ and ‘enabling’ is deliberately used to draw attention to a shift in ethos of Durban’s local government.²³⁷ A distinction is often drawn in the literature and practice between different forms of governance. This distinction relies on an often oversimplistic division between government as ‘provider of services’ and government

²³⁷ Kisa Dlamini, Interview 06/04/04.

as ‘facilitator’. Nonetheless, this division is important here because the shift to government as ‘facilitator’ is typically associated with a broader neo-liberal shift that seeks to reduce the role of government and increase the role of ‘the market’ in the delivery of services (Devas and Rakodi 1993). A less-generous view of the ‘big project’ development approach would see this as slotting into a government as ‘facilitator’ mode of governance because there is a lot of overlap between considering the Municipality as a catalytic and facilitative agency. While I do not believe that it was the intention of the LTDF project team to further neo-liberal agendas, there is the constant danger that rather than empowering citizens to achieve freedoms in Durban, within this policy framework the local state could step back from its current role and level of responsibilities to Durban’s citizens.

The second point to draw attention to is that the vision and purpose of the LTDF leave little doubt about the perceived importance of harnessing a growing economy to reduce poverty. It is very clear that a ‘vibrant and sustainable economy with full employment’ is considered as the means of achieving a ‘better quality of life for all’. In, and of itself, there is nothing wrong with such a statement: a sustainable economy is important for securing a better quality of life. What is noticeable though is how these statements echo the arguments of the poverty theories I outlined in Chapter Three: economic growth and poverty reduction are folded into each other. Following from the conclusions of Chapter Three, this suggests that what is understood by ‘the economy’ in Durban and how it might be thought to be related to poverty alleviation deserves more rigorous scrutiny.

However, as I suggested earlier, the continuity of concepts is combined in a different way to emphasise economic growth as a solution to poverty. Thus, while ‘social development’, ‘service delivery’, and ‘economic development’ are still presented as integrally linked their success is dependent on building a “strategic platform” (eThekweni Municipality 2001, 8). Thus, unwinding the legacy of

Apartheid is equated more broadly with meeting basic and social development needs. Meeting basic needs relates to ensuring that “all citizens have access to free basic services and decent housing” and a coordinated approach to dealing with HIV and AIDs, and crime (eThekweni Municipality 2001, 8). Strengthening the economy is mapped against economic development and revolves around generating income and jobs. The objective of strengthening the economy is to increase wealth through formal employment. Priority is given to those sectors of the economy with the most potential in terms of absorbing poor people through providing employment and generating income. These are identified as: tourism, export focus manufacturing and the port and related transport sector (eThekweni Municipality 2001, 10). It is clear that policy makers formulating the LTDF have the formal economy in mind when they refer to the strengthening of the economy. In my view, ‘building skills and technology’ is a relatively instrumental version of the necessity for ‘people development’ concept that was first stated in the LTDS process. It is explained as necessary for ensuring Durban becomes a “smart city, connecting with its neighbours and the world” (eThekweni Municipality 2001, 8). The implication is that these connections should occur through technology.

The LTDF informs that council budgets will be prepared according to the three development priorities. The underlying concept of building a strategic platform is reflected in the principles guiding the Council’s future budgetary allocations. The principles are stated as being “pro-growth”, meeting “basic needs” and building “skills and technology” (eThekweni Municipality 2001, 13). Thus, even while there will be spending in the form of ‘basic needs’ infrastructure for poor people, a prior assumption has already subordinated this spending in importance and value, to spending on ‘productive infrastructure’ since all expenditure should ultimately contribute towards building the ‘strategic platform’.

What emerges in the LTDF is that poverty is an important concern and that economic growth provides the main means of reducing poverty (eThekweni Municipality 2001, 8). But only the formal economy is the possible source capable of generating economic growth. Moreover, just as poverty has been thought of as spatially confined, economic growth is considered to be spatially confined. Here I focus on the evidence that suggests that only the formal economy is a source of economic growth and that it is spatially confined to the centre of the city, industrial areas or areas of tourist interest, such as the beachfront. The notion that economic growth is bounded comes through in a commitment to “maintaining high quality core infrastructure that serves key economic nodes” (eThekweni Municipality 2001, 10). This is reinforced through a “strong regeneration thrust within key [existing] economic areas” (eThekweni Municipality 2001, 10). These key economic areas are all sites of the existing formal economy such as the central business district, Port, southern Industrial Basin and beachfront (see Figure 11). A commitment to big project or ‘flagship’ projects takes in projects that serve the formal economy such as the redevelopment of the Point Waterfront, a new airport and new industrial area. It should be noted that other ‘mixed investment nodes’, ‘rural investment nodes’ and sub-regional regeneration areas are planned. However, it remains that the major economic investment nodes are located as indicated in Figure 11.

Figure 11. Major investment nodes in Durban in 2003



The result is that the activities of poor people are only to be supported when they are in the form of “small, medium and micro-enterprises that are linked to the city’s mainstream economy in a synergistic way that supports the overall economic strategy” (eThekweni Municipality 2001, 10). However, the council will “facilitate poor people’s access to skills development that are customised to meet local needs” (eThekweni Municipality 2001, 11) and can therefore be easily *connected* to the economy. This is important for encouraging links between what are considered to be the formal and informal economies. However, the limit to this understanding is that it is predicated on the assumption that poor people’s economic activities are outside, or disconnected from, the city’s ‘mainstream’ (formal) economy. As poor people’s economic activities are perceived in this way, they do not conform to, or display the rationalities of mainstream economic activities that contribute to economic growth. It is thus only when poor people’s economic activities are connected to the mainstream economy and conform to particular economic rationalities that they will become ‘visible’ and ‘sayable’ in relation to economic growth in Durban.

The acknowledgement of these different ‘small, medium and micro-enterprises’ in the LTDF is nevertheless important and prompts a recognition of a broader appreciation of poor people’s economic activities in Durban. This might best be thought of as opening up a view of different aspects of the overall economy of Durban. Insights into these different aspects of Durban’s economy developed (and continue to be developed) by departments within the Municipality – principally, departments dealing with environmental issues, housing, and EDD itself. The work involved in analysing these diverse aspects of Durban’s economy occurred in different departments. Thus despite representations of the LTDF as a coherent and holistic vision of Durban’s future development, the final vision only approximates ‘integration’ and a holistic view. Nonetheless, these different aspects are all important for thinking about the economy in different ways.

5.2 Diverse aspects of Durban's economy

As the conclusion to the last section hints, there are significant ways in which local government policy makers and researchers in Durban already make poor people's economic activities visible. In this section I aim to present three ways in which poor people's economic activities are visible, even if in the LTDF they are ultimately seen as subordinate to the formal economy. An important source of inspiration for this work is sustainable livelihoods theory and research on the informal economy. It is worth recalling from Chapter Three, that research on the informal economy provides an important backdrop for sustainable livelihoods theory. Sustainable livelihoods theory draws attention to the different 'capital' assets that are required to compose a livelihood. In Chapter Three these were identified as natural, financial, social, human and physical capital. These insights which broadened out the notion of 'assets' from income poverty and basic needs theories are important in firstly recognising the importance of the 'natural resource base' and self-help housing in Durban's economy. I will then proceed to consider work on Durban's informal economy.

5.2.1 *Natural resource base*

Both basic needs and sustainable livelihoods theory offer insights into the relationship between the environment and poor people. There are significant continuities between basic needs theory and an environmental 'brown agenda' in South Africa (Beall, Crankshaw, and Parnell 2000b, 835). Sustainable livelihoods theory's emphasis on 'natural capital' offers a broad alignment between approaches to poverty and 'green' environmental agendas (cf. Twyman and Slater 2005). Although the concept and perception of the environment is historically entangled in many racial, political and development processes in Durban, the municipality in Durban is distinguished by its green environmental

agenda (Freund 2001).²³⁸ The implementation of a metropolitan open space system in 1982 and the city's participation in the Local Agenda 21 programme²³⁹ has helped to cohere a broader environmental and developmental agenda (Patel 2000).

In Durban, one outcome has been that the city's natural resource base has come to be regarded as a means of subsidising municipal service provision to poor people. Poor people are considered economically dependent on, and productive because of, the city's natural resource base. The natural resource base includes land, water and vegetation and the LTDF states that this base "provides R2.24 billion worth of free services to the residents of the city per annum" (eThekweni Municipality 2001, 4). To put this in perspective, this figure is almost half the amount of the Municipality's annual operating budget of approximately R4.5 billion in 2001 (EDD 2001, 31). If the LTDF calculations are correct, the natural resource base represents a significant contribution to the economy in Durban. The environment is considered a 'service provider' meeting the "basic [consumption] needs of the many of the city's poorest communities" (eThekweni Municipality 2001, 4). Despite the financial size and importance of this aspect of the economy, poor people's economic activities are considered as essentially consumption based or utilising the natural resources for informal activities often on the urban periphery. As I have argued above, both a focus on consumption and the peripheral location of these activities tend to consign them to a category that is considered unable to contribute to economic growth in Durban.

²³⁸ The environment is recognised by Durban's policy makers as important in itself and as a resource to industry. For example, the dependence of the broader economy on a sustainable resource is noted in the *Metropolitan Green Paper on Economic Development* (Durban Metropolitan Council 1996).

²³⁹ This programme sought to pilot recommendations of the 1992 United Nations 'Earth Summit' held in Rio de Janeiro.

5.2.2 Self-help housing

A further insight from sustainable livelihoods theory is to recognise that adequate housing is not only important for meeting the basic need of shelter but is also a key asset for urban poor people (Moser 1998; Rakodi 1999). In terms of this theory adequate housing provides both a space for household consumption and is increasingly the site of home-based work/production (cf. Cross et al. 2001; Skinner and Valodia 2002). Indeed this is widely acknowledged in Durban and the LTDF clearly states the importance of poor people having access to “decent, safe, and secure living environments” (eThekweni Municipality 2001, 7). One of the most important means of achieving this aim is through the national government’s Housing Policy. This policy is regarded as one of the most successful (in quantitative terms) in the suite of reconstruction and development programmes implemented in the post-Apartheid period (Huchzermeyer 2003; Tomlinson 2002).

The housing policy consists of a number of programmes but by far the most significant is the programme that subsidises the provision of basic infrastructure, ownership of land and provision of a ‘starter house’ against an income means test and other household criteria. The programme is built on a principle of incremental self-help on the part of the recipients of the houses and therefore is intended to mobilise the labour of the household (or its ability to mobilise other labour) to continually improve the dwelling. Between 1994 and 2001, just over 120,000 housing subsidies had been approved in Durban (eThekweni Municipality 2002, 3), and by 2000 the Municipality was gearing up to deliver 16,000 houses per year (Makhathini, Pather, and Seedat 2002). While the housing subsidy has been an important source of income for the formal construction sector, the ongoing incremental self-help component is an economy of poor people’s labour. Again, notwithstanding the importance of these economic activities for poor people, they are considered too small and

fragmented and moreover, located within the household economy, to be able to contribute to economic growth in the city.

5.2.3 *Informal economic activities*

At more or less the same time as the Unicity Committee commissioned Monitor Group to research (formal) economic growth, a process to prepare a municipal policy for the informal economy was initiated by EDD. The research and policy of the informal economy policy is important because I suggest that it represents the most sustained attempt to rethink the economy in Durban and makes it easier to see poor people's economic activities as contributing to economic growth.

Informal economic activities have long been a feature of urban life for people disadvantaged by Apartheid (Maylam and Edwards 1996; Preston-Whyte and Rogerson 1991; Wellings and Sutcliffe 1984). During the 1980s a number of factors came together in South Africa to result in a massive growth and higher visibility of what were termed informal economic activities. These factors included firstly, increasing urbanisation as Apartheid restrictions on movement became more difficult to sustain and hence, less extensively applied. Secondly, the gradual and disjointed easing of Apartheid restrictions on Black people's participation in the economy provided more scope for people to openly engage in different economic activities. Lastly, the general decline in the fortunes of the South African economy and its ability to generate formal employment meant that more people had to create their own opportunities. By 1999, Daniela Casale (2002, 292) calculated that about 27 per cent of employment in Durban was informal.²⁴⁰ One of the most visible forms of this informal economic activity in Durban has been informal street-trading (Popke and Ballard 2004). A survey

²⁴⁰ This figure includes those counted in the informal sector and people engaged in domestic work and is based on the national Census of 1996.

commissioned by EDD in 1997 calculated that nearly 20,000 individuals were involved in street-trading in the centre of Durban (EDD 2000).²⁴¹

In the process of local government restructuring in 1996, the responsibility for the informal economy had somehow become that of EDD rather than a 'community development' focused department. In Francie Lund's view, this was critically important for rethinking the role of poor people's economic activities in the city because it meant that the informal economy could be linked to broader economic development issues associated with the formal economy.²⁴² She notes that at the time that the policy process began, "there was still a [Council] committee where informal traders were dealt with along with dogs and prostitutes". Partly, because engaging with small business issues was important to EDD's political legitimisation with representatives of poor people to engaging in partnerships with big business in Durban, and partly due to the motivations and interests of EDD's own staff, a process to prepare a policy for Durban's informal economy was initiated under the leadership of Francie Lund.²⁴³

The initiation of the policy process occurred in an atmosphere of considerable ambivalence about the role of street trading and informal activities (Skinner 1999). At one extreme were those who sought to integrate these activities into an understanding of the city's economic plans. At the other, were those who viewed informal activities as a nuisance detracting from the ability of formal enterprises to engage in their business (Popke and Ballard 2004). At the time the informal economy policy process was initiated there was already research and practical work on the informal economy in Durban and a number of pilot projects – particularly in relation to the centrally located Warwick Avenue Junction – had

²⁴¹ Other research suggests that 300,000 people could be engaged in home based enterprises (Cross 2000) and 110,700 people are involved in craft production (Markewicz English, Mander, and Mbokodo 2000).

²⁴² Francie Lund, Interview 10/06/04.

²⁴³ Francie Lund and Caroline Skinner had completed a two year research project for SEWU on the conditions faced by informal workers in South Africa and were active members of the international Women in Informal Employment: Globalising and Organising (WIEGO) network (Lund and Skinner 2004).

demonstrated the viability of alternative approaches. An important motivation for the policy was that the municipality's attempts to negotiate a relationship with the street-traders had broken down because the street-traders were not organised (Lund and Skinner 2004). Lund understood the sentiment in EDD being that the city would "make space for traders, but they [had] to behave in different ways ... [and that the municipality had to] ... help them behave in different ways".²⁴⁴ Consequently a task team was set up to prepare the policy that would support and regulate the informal economy.

The policy process built on three key issues that are important in terms of rethinking the economy (Lund and Skinner 2004). The first was to consider the informal traders as 'workers' and was based on the assumption that all work should be valued (Skinner and Valodia 2003). The view that all work is productive sets up the possibility of introducing a spectrum of economic activities within a single economy along an informal/formal axis (Kirsten 1991). Following on from this, the insights offered by 'value chain' analysis provided a means of 'seeing' the connections across the assumed 'divide' of formal and informal activities and throughout the spectrum.²⁴⁵ The 'value chain' analysis also proved useful in recognising that informal economic activities have unique and dynamic linkages with the more formal economic activities that differ from sector to sector (Skinner 2005, 6). The final insight was to think of space differently. The street-trader's organisation SEWU²⁴⁶ had recognised that they had little bargaining power on the basis of their citizenship. Rather, they understood their strength to lie in being seen as "workers and users of municipal space".²⁴⁷ Thus the strategy to advance informal trader's interests revolved around identifying who controlled space in the city. The clearest agency was the Municipality and hence, from the perspective of SEWU, the city council was the

²⁴⁴ Francie Lund, Interview 10/06/04.

²⁴⁵ Caroline Skinner, Interview 25/02/04.

²⁴⁶ Self Employed Women's Union.

²⁴⁷ Francie Lund, Interview 10/06/04.

agency to be engaged with.²⁴⁸ Influenced by this view, Francie Lund's understanding was therefore that, "local economic development was not about a local economic policy, it was about the local spatial place where the whole economy worked itself out".²⁴⁹ While I believe that this sense of spatiality offers an interesting perspective it is not very prominent in accounts of poor people's economic activities. I will return to in the following chapters.

These three key issues informed three key statements in the Informal Economy Policy. Firstly, that the informal economic activities were an inevitable part of Durban's economy and were 'here to stay'. Secondly, that informal economic activities should be counted as work and informal traders as workers, and thirdly, that the support and regulation of the informal economy was not just an issue for the council in Durban but was a growing global phenomenon.²⁵⁰

Durban's Informal Economy Policy²⁵¹ (EDD 2000) reflects these strategic changes in approach. It establishes that the economic activities of poor people are part of the city's overall economy (see also, Khosa and Naidoo 1998; Sithole 2002). This is possible because the Policy identifies that the "economy does not divide neatly into a 'formal sector' and informal sector" (EDD 2000, 2). Instead, there is one economy with "a more formal end and a more informal end" (EDD 2000, 2). The move to a spectrum of formality was based on the recognition that the line between different formal and informal activities varied according to different sectors of the economy but more importantly, that by dividing at the point of informality/formality the result was a bifurcation exactly at the point at which the linkages were the most important.²⁵² Thus, of growing importance is "the sectoral (or value chain) approach ... [which] ... offers possibilities for

²⁴⁸ Francie Lund, Interview 10/06/04.

²⁴⁹ Interview 10/06/04.

²⁵⁰ Francie Lund, Interview 10/06/04.

²⁵¹ The policy was initially accepted by the North and South Local Councils in October 2000 and then later adopted for the metropolitan-wide eThekweni Council in November 2001 (Skinner 2005).

²⁵² Francie Lund, Interview 10/06/04.

understanding the dynamics of each sector more accurately, and thus of building more precisely focused support” (EDD 2000, 12).

Despite the advances offered by studies on the informal economy, I point to two broad issues within this body of work which seem to reinforce the identity and location of economic growth as being bound up in the formal economy. My purpose is not really to take issue with the researchers with whom I agree on many counts but to point to some of the effects of current policy research. Firstly, what is striking about much of the research on the informal economy and the Informal Economy Policy, is that it is conceptualised in the *image* of formal sector activities and thus does not question the assumptions that constitute understandings of key concepts such as ‘productivity’, ‘profitability’ and ‘competitiveness’. A good example of this is a recent Local Economic Development (LED) study undertaken (in 2003) by the eThekweni Municipality with support from the World Bank and School of Development Studies at the University of Kwazulu-Natal. Constrained by a desire to generate comparative data, Durban implemented the study developed by the World Bank in Johannesburg. Collating this study, Caroline Skinner (2005, 4) reports that informal enterprises were evaluated in terms of their “time of operation, assets, employment generated and profit ... business environment and relationship to the state ... production and management issues... [and] ... access to financial services and insurance and training.” While these factors are all important components of economic activity, the result of evaluating informal economic activity in the image of the formal economy leads to conclusions that informal economic activities faced ‘constraints to growth’ in the dimensions of the research. Consequently, research in this vein logically concludes that these economic activities are a “second-best alternative” to formal employment and for generating income (Posel 2001, 2).²⁵³ This makes it more difficult to see how poor people's economic activities could contribute to economic growth.

²⁵³ This is not to deny the importance of secure and safe forms of employment.

Despite the suggestive insights into the relationship between the local economy and spatiality of Durban raised in the preparation of the Informal Economy Policy a different view of the spatiality of economic activity more commonly prevails. This view is a second way that signals how policy makers consider poor people's economic activities as being unable to contribute to economic growth. There have been a number of studies that relate either directly or indirectly to the spatiality of informal economic activities in Durban.²⁵⁴ It is worth recalling that in most of these poverty and economic growth are represented as spatially confined and bounded in contrasting and separate areas. Here I focus on Markewicz English et al's. (2000) attempts to address the spatiality of informal economic activities which developed out of a broader ILO-sponsored study into home-based work in selected informal settlements and Black townships (Cross 2000).

Markewicz English et al. (2000) start from an assumption that the social and economic relationships that characterise urban areas “are in the first instance *aspatial* ... and then manifested in various physical spatial patterns” (Markewicz English, Mander, and Mbokodo 2000, 36, emphasis in the original). This assumption has important implications. In particular it allows town planners to draw on abstract economic assumptions about the logic or competitive rationalities that guide or govern social interaction. This in turn allows for the application of ‘spatial assessment criteria’ that have no inherent spatiality but which are derived from an abstract understanding of economic rationality. The implication of this view is that to contribute to economic growth an activity must be well-located in relation to the overall location of economic activity. It must be easily accessible and have good transport links to other important activities and must contribute to the establishment of thresholds that constitute the efficient operation of economic markets. In this view, successful economic activity depends on physical concentration and proximity (Dewar and Watson 1991). The

²⁵⁴ See for example, Hemson (2002), Sithole (2002), Khosa (1998), Maharaj (1998), Skinner (2000), Cross (2000) and Grest (2002).

result is that economic activities that fall outside of these 'spatial assessment criteria' are considered unlikely to be able to contribute to economic growth. By way of example, areas outside the 'spatial assessment criteria' include "lower income residential areas ... located on the periphery ... with fragmented linkages ... to economic opportunities and social infrastructure" (Markewicz English, Mander, and Mbokodo 2000, 38). This means that the "inhabitants of the peripheral settlements are firstly, restricted in their efforts to access markets and opportunities... and secondly, do not benefit from 'passing trade' ...[and] ... the thresholds for economic activity within the peripheral areas are both highly fragmented and low level" (Markewicz English, Mander, and Mbokodo 2000, 38). I conclude therefore, that such activities are unlikely to be considered as contributing to economic growth in Durban. As a result, the "focus on competitive strengths and advantages has tended to concentrate attention on areas of existing economic activity, so marginalising predominantly residential low-income areas" (Harrison, Todes, and Watson 1997, 58).

In conclusion, while the research and policies related to informal economic activities show the ways that poor people's economic activities are aspects of one economy, it has not considered that these activities could contribute to economic growth. I have suggested that two of the reasons for this are because poor people's economic activities remain understood in the image of formal (capitalist) activities and hence are always deficient and secondly, that poor people's economic activities are generally (although not exclusively), located in peripheral parts of the city which are thought to be marginal to processes of economic growth.

5.3 Consequences for poverty reduction policies in Durban

In drawing the analysis of this chapter to a close, I return to the inabilities of theories of poverty to consider poor people's economic activities as contributing to economic growth described in Chapter Three. Building on the insights from Chapter Three, I now consider the consequences of such a view for policies to reduce poverty in Durban. The first consequence is that the provision of support and assistance to poor people's economic activities tends to conform to an image of economic activities in the formal economy. The pressures to conform include providing support to small economic activities if they (re)locate in designated nodes or 'activity corridors', and the provision of credit and business training through specific agencies and according to formulaic criteria.²⁵⁵ While these factors are all important for the basis of economic activities the limitation is that the debate about their appropriateness is confined to a narrow range of what is thought to contribute to the economic growth of the city in a 'synergistic way' (c.f. LTDF 2001). Poor people's economic activities that fall outside this narrow band are dealt with (often highly innovatively) by municipal departments focused on occupational health and safety, community development or crime and safety (Lund and Skinner 2004).

The second consequence of this configuration of Durban's economic map is that it tends to confirm binary understandings of the economy. This issue will be developed in the following chapter and for now I merely draw attention to some of the key binary pairings that have been operationalised. Important binary pairings include: formal/informal, central/peripheral, economic/non-economic, and 'productive'/'basic needs' infrastructure. The effect of these binary logics is to lock poor people's economic activities into subordinate relationships in

²⁵⁵ Caroline Skinner, Interview 25/02/04.

relation to economic growth. This reinforces the search for strategies of 'absorbing', 'connecting', and/or 'including' poor people's economic activities in the (formal) economy or in processes of (formal) economic growth. As a consequence, the question of why there should be a separation, and the precise nature of the economy that poor people are being absorbed into, connected to, or included in, is glossed over. My argument is that, and as others have pointed out, this leaves the dominant understanding of 'the economy' intact and undisturbed as a category of social analysis (cf. Hart 2004; Miller 1998; Mitchell 2002). This is why, I suggest, even though sustainable livelihoods theory and informality studies have advanced poor people's interests by including them in the view of a single economy, they remain subordinated to the (unexamined) understanding of economic growth that is commonly regarded as co-extensive with the formal economy.

The third consequence is that expenditure on infrastructure for the perceived consumption needs of poor people is likely to firstly remain 'basic' and secondly, to remain dependent on, or second in line to, expenditure on 'productive infrastructure'. Thus, even though a significant portion of the Council's capital expenditure may be allocated to the construction of 'basic needs' infrastructure, this is far outweighed by the combined capital expenditure on 'productive' infrastructure and the operational expenditure incurred in maintaining and regulating the use of historically higher levels of investment in White areas of the city.²⁵⁶ In this way, an important historical source of inequality in the city is replayed and reinforced by democratic local government.

²⁵⁶ Soobs Moonsammy, Interview Jennifer Robinson and Debbie Bonnin, 23/07/04.

5.4 Conclusion

I began this chapter by noting that despite the importance of the policy goal of economic growth in Durban, the distribution of economic opportunities appeared to be limited. I highlighted the importance of the debates about three interdependent policy priorities understood by policy makers as necessary to reduce poverty in Durban. I drew on a long-term city visioning process in Durban to bring these debates into focus. My argument is that poverty reduction practices in Durban have been complementary to broader processes of defining and theorising poverty. This is because these local policy making practices replay the partiality of the dominant definitions of poverty (in Chapter Two) and the three theories of poverty (in Chapter Three), which I reviewed. Consequently, policy makers in Durban – facing urgent demands for redress – do not consider poor people's economic activities to be able to contribute to economic growth and yet consider economic growth essential for addressing poverty.

I suggested that the Monitor Group analysis of economic growth and other approaches to the economy in Durban do not question assumptions about the nature of economic growth, and thus worked to secure the dominance of a conventional view of growth at an analytical level in policy circles in the city. Tracing the continuities and discontinuities in policy formulation and different attempts at presenting visions as holistic and integrated, I noted some of the ways in which policy makers secured the obviousness of the view that poor people's economic activities do not contribute to economic growth in Durban. I suggested that with the additional national policy emphasis on cities as the primary sites of economic growth and local political dynamics, the effect of the Monitor Group report on Durban was to assert the dominance of an economic agenda in the city's development plans. As a further result of these local political dynamics, politicians conflated the processes of developing a city development plan with an economic development plan. Thus, despite a more participatory

process, the LTDF confirmed a very narrow view of economic growth that reduces poverty through 'trickle down' mechanisms and supporting local business confidence.

However, although poverty reduction policy making in Durban can be considered as broadly complementary to wider processes, such practices should not be considered subsumed by these same wider processes. In this respect, I noted that a number of other aspects of the economy came into view through policy making processes in Durban. I identified three other aspects of the economy that are acknowledged in the LTDF (the natural resource base, self-help housing, and the informal economy) which point to a more diverse understanding of Durban's economy, but which nonetheless continue to confirm the dominant view of economic growth.

Thus, the inability to see poor people's economic activities as contributing to the dominant goals of economic growth and poverty reduction is reinforced as ideas, problems and the *realpolitik* of metropolitan development merge in random, unpredictable and accidental ways. In the next chapter, I start to examine how the economic diversity which the case study of Durban has brought into view might shift our understanding of the economy, economic growth and poor people's relationships to these processes.

Opening the economy to difference?

I have been arguing that theories of poverty invest in a very specific understanding of economic growth and 'the economy'. In broad terms, the dominant approaches appear focused on a small set of activities considered to relate to the 'real' economy in assessing the prospects for economic growth. In this Chapter, I propose a theoretical outline for a different and wider apprehension of the economy. The purpose of this theoretical outline is to open our understanding of the economy to difference. But this is not all that needs to be done, for it may be possible to see difference across/within the economy and still remain with one element or part of the economy considered to be inherently dominant or more significant than others. Therefore the additional challenge is to simultaneously acknowledge the economy to be constituted by a wider set of activities than the dominant approaches allow, while not automatically presupposing that any particular activity or set of activities are inherently or necessarily dominant.

I aim to build on the ways in which sustainable livelihoods theory recognises and validates poor people's economic activities.²⁵⁷ Sustainable livelihoods theory focuses attention on poor people's economic activities and broadens the appreciation of economic assets that poor households utilise in securing a livelihood. Drawing on these insights, I intend to start to open up alternative ways of thinking about how poor people's economic activities contribute to economic growth. In other words, to allow for poor people's economic activities

²⁵⁷ As I noted in Chapter Two, Informal Economy Studies are another source upon which to build our understanding of poor people's economic activities. Here I plan to draw on the insights of Informal Economy Studies as they have been filtered through sustainable livelihoods theories of poverty since it is particularly theories of poverty that are of interest.

to be ‘visible’ and ‘sayable’ (The Community Economies Collective 2001) in more active ways than is currently understood within theories of poverty. In the previous chapters, I noted that key Anglo theorists of (urban) poverty had commented on their own inability to consider how poor people’s economic activities might contribute to economic growth (cf. Amis 2004; Beall 2002; Devas 2004; Rakodi 2002a). I elaborated on some of the reasons why it has proven difficult to consider these issues in developing theories and formulating (local) policies for poverty reduction. Thus, at best, sustainable livelihoods theories of poverty make provision for poor peoples’ economic activities to be considered as part of the informal economy that, in turn, is increasingly considered as articulated with the formal economy. As noted, however, the informal economy remains theorised as occupying a subservient role to the formal ‘real’ economy, within the formal/informal binary continuum of the economy (Jhabvala, Sudarshan, and Unni 2003). The Anglo poverty literature bypasses this issue by suggesting the solution lies outside of theories of poverty – such as in the collection of more appropriate statistics. While the generation of better quality statistics will undoubtedly be beneficial in social policy terms, I sought to look for ways to resolve some of the problems *within* the discourses and practices that constitute poverty theory.

The progression from the previous chapter to this chapter represents a fulcrum in my analysis. The previous four chapters have explored how existing understandings of the economy might be *unhelpful* in thinking about creative responses to misery and deprivation. In Chapter Two, I suggested that there is another ‘realm’ of politics that determines what is ‘sayable’ and ‘visible’ about poverty in poverty research and that, as poverty researchers, we are implicated in constructing these understandings. The intention was to highlight what I think is a neglected agency on the part of researchers of poverty. In Chapter Three, I noted that one of the elements that is not ‘visible’ or ‘sayable’ is how poor people’s economic activities contribute to economic growth in theories of poverty, and I explored some of the reasons why this might be the case. Chapters

Four and Five considered how the institutional practices at the city level of Durban bring together a particular commitment to poverty reduction, to processes of organisational transformation and to urban development. I argued that, despite the progressive intentions of the post-apartheid local government, the result has been a relatively narrow approach to poverty reduction²⁵⁸ and economic growth because of the politics producing certain approaches to poverty as dominant and on singular ways in which theories of poverty bring the concept of economic growth into view.

This balance tips in the current chapter. I begin by identifying the theoretical possibilities for such an alternative understanding of the economy and economic growth by exploring the notion of ‘diverse economies’ associated primarily with the work of JK Gibson-Graham (1996). The concept of ‘diverse economies’ appears useful because it aims to open up our view of the economy to difference. By opening our understanding of the economy to difference, I mean to make ‘visible’ different aspects of the economy and the ways in which they are constituted by different activities and registers, and to see the relationships between these diverse activities and registers as contingent and relational. As a device, then, it offers the potential to open up our understanding of the economy to a wider set of activities, which include the economic activities of poor people that sustainable livelihoods theory has brought into clearer focus (cf. Bebbington 1999b). But while the notion of diverse economies offers a way of opening our view of the economy to difference and widening the scope of activities considered to be economic, it raises new questions about how we might think about the dynamics that both constitute relationships between and differentiate activities from one another. I therefore turn to consider other work that seeks to revise our understanding of an economy (for example Allen et al. 1998; Massey 1996) and work that builds on Gibson-Graham’s initial analysis (for example Samers 2005; Smith 2004). This sets up the possibility in the final chapter of considering how

²⁵⁸ This is not to deny the tremendous improvements in service delivery and infrastructural development achieved by Durban’s post-Apartheid local government in areas that were historically disadvantaged.

poor people's activities can be thought of as part of interdependent networks of economic growth in the diverse economy of Durban.

The three parts to this Chapter provide the structure to the argument. In the first part, I examine how the notion of 'diverse economies' opens our understanding of the economy to difference. In the second part, I identify new questions that the notion of 'diverse economies' raises. In the third and final part of the chapter, I start to explore how we might address some of these new questions and extend the current conceptions of 'diverse economies' as a means of thinking about how poor people's economic activities contribute to economic growth.

Before I begin, a caveat is in order. When used in a general way there is always the danger of misrepresenting a body of work and a diverse range of scholars associated with the notion of 'diverse economies'. It is very difficult to do justice to all the insights, developments and contradictions that are inevitable in this body of work and which includes many different theorists and practitioners in different contexts (see for example, the list of participants in The Community Economies Collective 2001). A focus merely on the work of JK Gibson-Graham offers no respite from this problem either, since JK Gibson-Graham's work is complex and evolving and they do not represent the whole of this field. Despite this diversity, I feel that there are key issues that have remained consistently in focus and it is these key issues that I hope to have captured and conveyed in the argument.

6.1 Diverse economies: concept, theory, strategies and framework

This section presents the concept of 'diverse economies' and goes on to build an understanding of what this entails by describing the theoretical basis and strategic actions that follow. It then explores Gibson-Graham's 'diverse economy

framework' which they use to bring together many of their insights and strategies.

6.1.1 *The concept of 'diverse economies'*

The concept of the diverse economy is simply an acknowledgement that the economy is more than what is observed and measured, as capitalist or as formal.²⁵⁹ Gibson-Graham declare that the problem in orthodox/hegemonic accounts of the economy – such as those invested in, in different ways, by theories of poverty – is that capitalism is fully co-extensive with 'the economy'. Thus, what is useful about the 'diverse economy' concept is that it suggests that the representations of the 'real' economy, promoted by theorists, policy-makers and activists alike, are fundamentally representations only of a capitalist economy. By way of example, let me return to the understanding of the economy in Durban outlined earlier. This will serve to illustrate the point and allow me to point to the new and different meaning of the term 'diverse' implied in the concept of 'diverse economies'.

As I noted in Chapter Five, there is already recognition amongst officials in local government of the existence of a wide range of economic activities in Durban. The recognition of this diversity can be seen in the ways in which the natural resource base is considered an input to the survivalist activities of poor households, the sweat-equity contributions inherent in the post-Apartheid government's massive low-income housing delivery programme, and the officially acknowledged presence of the informal economy. All of which takes place alongside the formal, capitalist economy. While recognition of all these different economic activities flesh out various Durban policy documents and

²⁵⁹ The primary binary Gibson-Graham focus on is between capitalism and noncapitalism. I argue we could equally extend their analysis to the formal/informal economy binary pair that currently characterises theories of poverty and institutional practices in Durban. This is partly why their insights are so useful for the general purposes of the argument I am developing. For the moment though, I continue to develop their position in their terms of capitalism/noncapitalism.

development discourses, there is no real sense that they are all equally, if at all, seen as part of one metropolitan economy. The (capitalist) formal – that is, registered and regularised by the state – economy is regarded by Durban’s policy makers as the ‘real’ metropolitan economy and exists in its own register. All the other elements of the economy (public, non-profit, informal etc.) are deemed subservient to/deviations from/beholden to/weakly developed examples of, the capitalist logic. Thus, the visible ‘real economy’ refers to the realm of formal capitalist activities and the term ‘diverse’ has been used to describe only the different sectors, enterprises and activities that can be observed and measured within this ‘visible’ economy (Monitor Group 2000).

Now, through the notion of ‘diverse economies’, I want to differentiate and extend the usage of the term ‘diverse’ and think ‘difference’ beyond the narrow range of formal, capitalist enterprises, and across a far wider and richer variety of economic activities – but importantly, to consider these to exist within networks of interdependence. To anticipate some of the ways in which Gibson-Graham seek to proliferate difference later in the chapter, we can think of diversity as referring to infinitely different forms of transactions, ways in which labour is practised, and production and surplus appropriation organised. Thus, the first point made by Gibson-Graham is that the concept of ‘diverse economies’ suggests that there are many more economic activities than frequently acknowledged by theorists, the state representations, media or indeed activists or, indeed, commonly represented in long-term city visioning documents. Gibson-Graham have drawn on the metaphor of an iceberg to illustrate their argument that the ‘visible’ activities only represent a small percentage of the economy (see Figure 12). The representation of the economy as an iceberg suggests that there are many other activities through which we engage in production, exchange and

distribution and that these activities out-number and out-weigh what is visible.²⁶⁰

Figure 12. The economic iceberg



Source: (Drawing by Ken Byrne in Gibson-Graham n.d., 1)

Gibson-Graham insist that what is conventionally visible as 'the economy' only occupies a small part of diverse economic relations. They also insist that the activities that are currently 'visible' and 'sayable' only represent a small percentage of 'the economy'. Finally, they focus squarely upon how *activities*

²⁶⁰ Another representation that is often drawn on, and which suggests a similar image, is the concept of the layered iced cake in which it is only the top layer of icing that is visible and counts as 'the economy' (cf. Henderson 1991).

make up economies. To substantiate their claim, Gibson-Graham draw on feminist critiques of the representation of the economy to argue that as “much as 50% of all economic activity in both rich and poor countries is undertaken by unpaid labor in households and neighbourhoods” (Gibson-Graham 2004, 411).²⁶¹ In addition, once nonmarket and market-oriented noncapitalist activities are included, the proportion of capitalist activities are likely to account for less than half of all economic activities and economic relations.

It is important to note that this claim about the relative size of the ‘visible’ (capitalist) economy and ‘invisible’ economy rests on calculations based on *activities* and not for example, productivity or output. This is both a novel way of seeing the economy and provides a useful overlap with sustainable livelihoods theory’s emphasis on poor people’s economic activities. The admission of a far wider range of *activities* as part of the economy starts to question the prevalence and extent of capitalist activities and, by implication, the view that capitalist activities can be solely responsible for a process such as economic growth. The political scope for considering the activities of poor people as ‘economic’ is therefore enlarged and justified.

However, the term ‘activities’ also needs to be scrutinised for the definition of an economic activity is not neutral. Earlier (in Chapter Three) I pointed out that an activity was defined as economic if it could be performed by a third party and sold on the market (Wood 2003, 308). But, Wood (1997; 2003) concludes that this commonly accepted ‘third-party criterion’ definition leads to two problems. The first is a theoretical problem. By utilising the market as the standard for economic activity, the criterion privileges and affirms the capitalist sector of the economy and simultaneously marginalises all other forms of non-commodity production. The necessity of disrupting the market as the standard for economic activity is underscored by Humphrey and Mandel’s (2002, 4) observation that “engagement in the market is not a moral free activity, but instead is given value

²⁶¹ See also (2001), (1989) and (1991).

through the political-economic context in which it operates.” The second is a practical problem because, as Wood points out, the third-party criterion is not applied consistently. She cites the example of unpaid domestic labour that is excluded from definitions of economic activity even when it is marketable (Wood 2003). This leads Wood to the conclusion that “some non-monetary definition of economic activity must be constructed to distinguish the large (if inferior) non-market economy from those activities considered non-economic” (Wood 2003, 307). I return to this issue in the Conclusion.

The iceberg representation of the economy is also useful for drawing attention to the arbitrariness of how much of the economy is ‘below the waterline’ or what is conventionally considered to be visible. The arbitrariness points to the ways in which our representations of the economy are socially constructed and researchers and theorists are implicated in (re)producing such representations. To anticipate a fuller consideration later, how we come to know the economy shifts as a result of the notion of ‘diverse economies’. Until this point in the argument of this thesis, the term ‘economy’ has reflected its general usage in theories of poverty. That is to say, the term economy has referred to a mirroring of a ‘reality’ that is assumed to naturally pre-exist our observations, quantifications and measurements of ‘the economy’. However, the concept of ‘diverse economies’ introduces, and relies on, an understanding of the economy as a representation rather than directly mirroring any immutable ‘reality’.

Thus through Gibson-Graham’s ‘iceberg economy’ representation of ‘diverse economies’ four new claims have been introduced. The first is that *activities* constitute economies. The second is that the economy consists of many more activities than conventionally considered ‘visible’ in the formal, capitalist economy and provides a basis for thinking about different activities as related. The third is that activities associated with the capitalist economy typically represent a much smaller proportion of economic activities than is generally

assumed. The fourth is that the many activities acknowledged as part of the economy is ultimately arbitrarily defined.

It is necessary, however, to put the ‘iceberg economy’ representation aside for the moment. As with all representations, it obscures as well as illuminates. It raises fresh questions such as how to analyse some of the ways in which the exclusions, boundaries, equivalences and relations consequent upon viewing the economy as only capitalist are established and draws attention to how the dynamics between activities are played out. Later, once I have presented Gibson-Graham’s ‘diverse economy framework’, I will return to these questions. I now wish to consider the theoretical basis of the concept of diverse economies.

6.1.2 *The theoretical basis of ‘diverse economies’*

In this section, I consider the theoretical basis of the concept of diverse economies as set out by JK Gibson-Graham. In particular, with the theme of ‘opening the economy to difference’ as a backdrop, I will describe how Gibson-Graham harness two theoretical insights relating to ‘language as representation’ and a critique of ‘binary logics’ to a broader (perhaps more practical) concern with social justice. Indeed, the strategies for social change that follow from these theoretical insights are integral to the overall development of diverse economies. I begin this section by setting out their position on ‘language as representation’ and ‘binary logics’ before proceeding to consider the strategies that follow from this theoretical position.

Language as representation

The first theoretical insight that I believe is important to Gibson-Graham’s development of diverse economies is the recognition that language and discourse are representations of economies, rather than something that mirrors a

'reality'.²⁶² I begin by picking up from a point made earlier: that what we understand to be 'the economy' is a socially constructed representation of contingent combinations of the discursive and material. Gibson-Graham devote most of their attention to representations and point out that 'capitalism' is a *representation* of the economy and not the economy itself (Friedland and Robertson 1990b; Mitchell 2002). Capitalism is a representation of the economy because language, discourses, practices and images are constitutive of the thing we call 'the economy', rather than mirroring the 'reality' they wish to represent. In this sense, this understanding is anti-foundationalist in refusing to see knowledge as grounded in 'reality'. Capitalist hegemony is a 'discursive artefact' that is a "complex effect of a wide variety of discursive and non-discursive conditions" (Gibson-Graham 1996, 4). This does not mean that Gibson-Graham believe that we can merely 'think' our way out of capitalism (Disch 1999), but it does point powerfully to how we are implicated in (re)presenting 'the economy'.

The theoretical basis for this is traced back to a translation of Ferdinand de Saussure's (1966, [1915]) classic work (Gibson-Graham 2000, 95). Saussure suggested that a word should be seen as a sign constituted by the signifier (acoustic or visual image) and the signified (concept invoked). The effect of this insight was to break the relationship between language and the 'reality' it was meant to represent. Social meaning, then, emerges from the socially constructed relations of difference between signs, rather than through a connection to something outside of language. Saussure proposed that a fixed relationship exists between the signifier and signified within social structures (Gibson-Graham 2000). However, what marks post-structural theories from the more structuralist accounts such as Saussure's is the denial of a fixed relationship between signified and signifier and the suggestion that language exists as a system of difference among multiple sets of signs. This means that the creation of meaning must

²⁶² I am presenting this theoretical insight first because I believe it makes an understanding of the concept of diverse economies easier to grasp. In doing so, I am not suggesting that it is more fundamental in any way. Indeed, in practice both theoretical insights are much more entangled and intertwined than I am presenting here.

always remain open to being recontextualised in a multiplicity of signs. As a result, Gibson-Graham (2000, 96) suggest that, “the creation of meaning is an unfinished process, a site of (political) struggle where alternative meanings are generated and only temporarily fixed”. The process of continuously recontextualising language and representation opens the way to destabilising the order that seeks to inhabit the fixity of meanings. The recontextualisation of language is one of the strategies that Gibson-Graham pursue and I will return to it below. I now want to turn to consider what, for Gibson-Graham, is one of the key representations of the economy.

Binary logics

Gibson-Graham note the prevalence and importance of binary logics in constructing meaning in Western thought. It is not that they wish to banish binary logics as a way of creating social meaning, but rather that binary logics can *essentialise* and *singularise* the identity of complex social phenomena. The net effect of the dominance of binary logics, for the purposes of my argument, is that they close down the opportunities for seeing different activities as part of the economy.

Gibson-Graham (2000) apply Derrida's critique of binaries to the prevalent hegemonic understanding of the economy and use it as a way of setting up the possibility for diverse economies to emerge. Derrida argues that binary logics can secure meaning in Western thought far wider than the simple differentiation of opposites. More difficult to detect than the superficial differentiation of opposites, binary logic typically invokes both a hierarchical relationship between the two terms and relies on the stability of a singular understanding of each term in the pairing that can admit no in-between state of either term. The hierarchical relationship emerges because the first term in the binary pair is typically endowed with agency, positivity and fullness while the second term is regarded as passive, negative and empty. Consequently, in the binary pairing defined by

capitalism/noncapitalism, capitalism, as the primary term, is represented with positivity and fullness. Gibson-Graham (1996) coined the term ‘capitalocentrism’ to convey the fundamental ways in which capitalism is defined with positivity and force and all other economies and aspects of economies, as the complement, absence or negative of capitalism. Thus, through the privileging of capitalism, the hierarchical relationship is reinforced by the process of simultaneously depriving other economies of vitality and suggesting that they function as the complement to capitalism, waiting to be filled or transformed by capitalism.

The possibility of establishing a hierarchical relationship between two terms in a binary pair relies on each term being considered as insulated and autonomous from the other, yet dependent on each other. The singularity of the understanding that results means that there can be no forms of contamination between the terms that results in hybrid states. When this singularity is applied to representations of capitalism it means that it has no “peer or equivalent, of existing in a category by itself; and also when it appears fully realised within a particular social formation, it tends to be dominant or alone” (Gibson-Graham 1996, 256). Unlike socialism, which has to be struggled over to bring into existence, capitalism is viewed as taking “on its full form as a natural outcome of an internally driven growth process” (Gibson-Graham 1996, 257).

Closely related to this sense of singular identity is a process that results in the terms of the binary pairing being seen to have unchanging immutable qualities. Impervious to new contexts or recontextualisations, the qualities attributed to the terms become essentialised. In the case of capitalism, its essential quality means that it appears unchanged and fully formed in each concrete instance. But, in addition, these essential qualities secure a unity and totality for capitalism that is difficult to dislodge. The sense of unity means that capitalism appears to be closed to local or partial attempts at transformation (Gibson-Graham 1996, 256). Gibson-Graham suggest that this unity confers an integrity on capitalism through which “capitalism becomes not an uncentered aggregate of practices but a

structural and systemic unity, potentially co-extensive with the national or global economy as a whole" (1996, 255-256). Its organic unity gives it the peculiar power to regenerate itself and because it is co-extensive with the economy as a whole, we cannot get outside of it (Gibson-Graham 1996, 258). As Antonio Callari (2004, 114) suggests, this leaves no room for undecideability, no liberty for other economies to imagine their own conditions of being.

This analysis of dominant representations of the economy as capitalist can also be applied to an understanding of how strategies to resist the exploitation associated with capitalism emerge. This is because as the master term, representations of capitalism are also a "potent constituent of the anti-capitalist imagination, providing images of what is to be resisted and changed as well as intimations of the strategies, techniques and possibilities of changing it" (Gibson-Graham 1996, 4).

The theoretical basis of the concept of diverse economies rests on identifying and displacing the dominance of binary logics between key economic categories such as capitalism and noncapitalism and other binaries such as formal/informal, public/private and so on. It requires deconstructing these binaries, representing them as not inevitable, and being open to difference and multiple identities. The notion of diverse economies emerges to suggest that there are many different economies and each economy is less pure and less singular than is made out. Diversity exists across economies and within economies.²⁶³ The strategies that Gibson-Graham suggest to recognise diverse economies are an integral part of their theoretical analysis and are developed further in the next section.

²⁶³ Gibson-Graham generally work within the context of advanced capitalist countries where capitalism is considered to be hegemonic and stifling of diverse economic activities. In other contexts diversity within economies is widely accepted, such as the global south (cf. Gregory and Altman 1989; Preston-Whyte and Rogerson 1991; Bromley 1979; Berner 2001; Tranberg Hansen and Vaa 2002) and those studying post-socialist economies (cf. Mandel and Humphrey 2002).

Strategies

There are a number of new poverty reduction strategies for poverty scholars to consider that the notion of 'diverse economies' opens up. These strategies start to cut across the strategies for poverty alleviation of 'absorption', 'connection', and 'inclusion' that follow from the theories of poverty considered in Chapter Three. In the previous section, I suggested that strategies are important to Gibson-Graham because they emerge from the theoretical basis of the concept of diverse economies. However, strategies are also important to Gibson-Graham because their work engages "somewhere between research and political action" (Smith 2004, 10). Here I focus on three strategies that I think are relevant to considerations around poverty. These strategies involve deconstructing binary logics, the development of new subjectivities, and spatialising diverse economies. In practice, these strategies are less singular and more difficult to disentangle than I will present here. Nonetheless, I will attempt to consider them in turn.

In attending to the binary pairing of capitalism/noncapitalism, Gibson-Graham draw inspiration from feminist insights that seek to (re)theorise sexual difference in the face of the man/woman binary. As noted, the singular identity of terms in the binary logic of capitalism/noncapitalism creates the conditions that make it impossible to think of a state in-between and ensures a closure that prevents the identity being disrupted. The identity can then be counter posed and invested with unchanging qualities or abilities and the unity and totality of capitalism can be secured.

It is thus necessary to both decentre and avoid essentialising identity. In feminism a response to male/female binaries has been to consider the identities of 'man' and 'woman' as constituted by a contingent set of specificities. The result is that there can be no unchanging identity that materialises every time the terms are invoked. Hence, there can no longer be any singular (negative) identity for 'woman'. 'Woman' can emerge as her own set of (positive) specificities. Gibson-

Graham extend these insights to the way that binaries are seen to operate in representations of the economy. Thus, “by analogy... the specificity of capitalism – its plural identity, if you like – becomes a condition of the existence of a discourse of noncapitalism as a set of positive and differentiated economic forms” (Gibson-Graham 1996, 14). In order to achieve this, Gibson-Graham suggest that capitalism must be seen as a contingent set of specificities rather than infinitely replicable. This is because once capitalism’s identity is considered inevitable it will necessarily be seen to operate as a constraint or a limit (Gibson-Graham 1996, 14). Once, capitalism is seen as a set of specificities it is more difficult to consider capitalism in an essential way. Its concrete manifestations can no longer be read off from a set of qualities and characteristics that pre-exist. Instead, it is possible to “think the radical emptiness of every capitalist instance” (Gibson-Graham 1996, 15).

The strategy for resisting a move to essentialising capitalism is to continually see capitalism as constituted by its ‘outsides’, rather than having an invariant core (Gibson-Graham 1996, 15-16). The task is therefore to specify and explore these constitutive relations that ‘overdetermine’ sites, practices, processes or events. The complexity of overdetermination encourages Gibson-Graham to adopt class (as derived from a Marxian analysis) as their entry point of analysis (Smith 2004). However, to remain with this (Marxian) sense of class would inevitably lead back to a privileging of capitalism and so Gibson-Graham widen the conventional Marxian notion of class. For Gibson-Graham, class refers to processes that relate to the appropriation of surplus labour and distribution of this surplus²⁶⁴ (1996, 17). In their account, class is freed from the traditional Marxian understanding of being determined by property relations (Maroney 1998). This frees up the analysis to suggest that class processes of exploitation and surplus distribution can occur in any sites where work is performed and undermines the “inherent dominance of capitalist class relations” (Gibson-

²⁶⁴ This where a problem begins for this is the basis for the new register that tends to flatten all the activities in a diverse economy into a single (binary) register of exploitation/care.

Graham 1996, 18). Moreover, class identities can be multiple and shifting at any point (Gibson-Graham 1996, 19).

This process of relinquishing and understanding of class relations as necessarily deriving only out of the exploitation of surplus labour in the production process is critical to later developments in their argument. Through this expanded notion of class, Gibson-Graham foreground the 'community economy' and suggest an alternative register of exploitation/care to evaluate activities within diverse economies. These are both issues to which I will return. For the moment, I consider Gibson-Graham's strategies relating to economic subjectivities.

The suggestion that subjectivities or identities are assumed by economists (and poverty theorists) in the process of representing economies is appealing to the project of establishing diverse economies because it suggests that subjects of the (capitalist) 'real' economy are 'made' in and through various, but specific discourses and practices (Gibson 2001, 641). Drawing on Foucault's insight that power is experienced both as domination and as productive of particular subjects, Gibson-Graham look towards feminism for ways in which subjects can be empowered. Gibson-Graham are not suggesting that we can escape subjection, but rather they are invested in developing new, more egalitarian subjectivities. Importantly, the question of subjectivities and the strategies for generating new forms of subjection relate both to 'economic agents' and theorists of 'the economy'.

Judith Butler's work is especially useful to Gibson-Graham because it offers a way of thinking about how subjects might become different and assume new identities, despite the apparently overwhelming power of hegemonic discourses. Butler has drawn attention to the way in which identities must be repeatedly constituted. Citing Butler's *Bodies that matter: On the discursive limits of "sex"* (1993, 2), they note that 'performativity' is the "reiterative and citational practice through which discourse produces the effects that it names" (Gibson-Graham

2000, 100). The concept of *performativity* provides a means of rejecting the dominant characteristics of a subject – such as the (capitalist) economy or dominant gender ideologies – as stable, and emanating from some pre-given, immutable and pre-determined nature or structure. This is because the identity of the (capitalist) economy is “practiced through the repetitive performance of certain acts ... and must be re-enacted in order to secure its seeming fixity (Gibson-Graham 2000, 101). However, “the process of repetition by which discourse produces its effects is characterised by hesitations and interruptions” (Gibson-Graham 2000, 104). This introduces new insights into the politics of knowledge and, in the “inevitable differences between performances, the slippage between iterations” suggest that the identity of the (capitalist) economy is always unfinished and open to subversion (Gibson-Graham 2000, 101).

Gibson-Graham draw on the observations by Butler that through the ability to speak on behalf of a subject we assume the power of that subject. These insights enable Gibson-Graham to raise questions about how theorists of the economy are themselves implicated in (re)presenting the assumed power of capitalism. Gibson-Graham suggest that the differential power of capitalism to noncapitalism emerges from discourses that are “produced and purveyed by theorists” (Gibson-Graham 2002, 33). Recognising this becomes the starting point for a new more emancipatory politics “outside the binary frame” (Gibson-Graham 2002, 33). The task they identify is to encourage existing subjectivities and emergent subjectivities, despite the dominance of capitalism, to challenge the singular representations that seek to represent the ‘reality’ of the economy as being only capitalist.

The issue of subjection is an important point and it chimes with my own methodological experiences in Durban. In refusing to speak in the name of the ‘real’ economy amongst officials, my research was not seen as important or offering a ‘real’ solution. Importantly, participants in my fieldwork site also assumed particular subjectivities in relation to what was understood to be the

economy. I will return to these issues in the next chapter and now focus on Gibson-Graham's spatial strategies.

There is a well developed, if partial, geography consistently running through Gibson-Graham's development of the concept of diverse economies that, I argue, is both a strength and a weakness. The spatiality is perhaps clearest in questions of strategy and so I briefly present it as a strength of their analysis here.

The spatiality of the concept of diverse economies appears, in the first instance, to be mapped onto/against a key disciplinary debate within geography. By this, I mean that the capitalism/noncapitalism pairing Gibson-Graham take issue with is aligned against a spatiality arising from the global/local distinction. This may not be surprising: the concept of globalisation and its effects are often presented as synonymous with capitalism. Globalisation is seen to be both driven by capitalism, and capitalism necessitates and requires globalisation. Hence, when Gibson-Graham address capitalism, an assumed global spatiality also comes into focus. By association, a focus on capitalism seems to necessitate a focus on globalisation.²⁶⁵

The effect of aligning the capitalism/noncapitalism binary against the global/local pairing has two effects. The first effect is that the theoretical manoeuvres of deconstruction and decentring that are applied to the concept of capitalism and noncapitalism, and which seek to empty capitalism and noncapitalism of any intrinsic qualities, are applied to the concept of global and local. It is based on an assumption that our understanding of space, like our understanding of the economy, is the coming together of the discursive and

²⁶⁵ There are parallels here with some of the dominant understandings of globalisation within sustainable livelihoods theory. Although in the case of sustainable livelihoods theory the focus is on globalisation rather than capitalism. Or rather, globalisation is a means to bring a critique of capitalism into view. This relates to the ubiquity of the view that capitalism and globalisation are very closely intertwined. As with sustainable livelihoods theory where the dominant understanding of globalisation obscures the agency of the local economy, I note a similar tendency here. But unlike sustainable livelihoods theory (where the local tends to be subsumed), Gibson-Graham seek to restore the effectivity of the local and not within the terms of the capitalist economy.

material. The second effect is that in countering the presumed dominance and authority of the capitalism/global alignment, Gibson-Graham seek to restore or (re)value the effectivity of the local. This strategy is consistent with their focus on the subjectivities that are generated and assumed in economies. As we shall see, the revaluing of the local takes shape in their use of the concept of the 'community economy', a point that I return to in a discussion of the 'diverse economies framework' below. Of course, while this mapping of the economy against space is an important one, it is not the only one, as I hope to show. This mapping or understanding of space itself raises new questions about the spatiality of diverse economies and how relationships between different activities could be important for economic growth. To anticipate the analysis in the next chapter, the revaluing of the effectivity of the local provides an alternative to policy maker's binary assumptions about Durban's economy and the view that poor peripheral areas are simply 'dormitory' areas that do not contribute to the economic growth of the city.

First, however, I wish to consider how the concept of diverse economies, its theoretical basis, and the strategies enacted come together in the establishment of a diverse economy *framework*. I turn to this now as it brings into focus why the notion of diverse economies is useful to my argument and how it might be developed further.

6.1.3 Diverse economy framework

The 'diverse economy framework' (as reproduced in Figure 13) develops from and succeeds the 'iceberg economy' representation described earlier. The second row of the figure represents the 'visible' capitalist economy (above the 'waterline') and what, Gibson-Graham argue, is (mis)taken as the 'real economy'. Below the 'waterline' is the alternative and noncapitalist economies that are typically invisible.

The total diverse economy is made up of this ‘visible’ layer and the bulk of ‘invisible’ economic activities. The main difference between the ‘iceberg’ representation and the framework I want to highlight is that the framework now incorporates the theoretical basis and strategies I have just outlined.

Gibson-Graham advises that this representation of the ‘diverse economy’ is always provisional.²⁶⁶ As readers, we are encouraged to read Figure 13 down the columns rather than across the rows. This is to highlight the fact that an economic activity can be composed of a diverse range of elements rather than being confined to a single row. The example given by Gibson-Graham (2004, 411) is used here to illustrate this reading:

“...a non-capitalist enterprise, such as a worker-owned collective, is a communal form of business organisation that employs alternative paid (cooperative) labor and engages in production for a market.”

The shaded area of Figure 13 is used to denote “economic activities associated with the community economy in which the sociality of economic relations is foregrounded” (Gibson-Graham 2004, 411). As pointed out in the presentation of strategies earlier, Gibson-Graham identify the ‘community economy’ as an important terrain for change. The notion of the ‘community economy’ is important because it suggests that not all economic practices have been colonised by capitalism, some are a deviation from capitalism, whilst others are in the process of becoming capitalist. Such a view also begins to “highlight all those ‘silent’ or ‘invisible’ sites and forms of labor whose effectivity in ‘the economy’ are usually ignored ... [and foregrounds] ... the interdependence of ‘capitalist’ and diverse ‘non-capitalist’ economic practices” (Gibson-Graham 2002, 40).

²⁶⁶ Indeed Gibson-Graham (n.d., 6) offer the framework as the basis for conversations that “might help specify other processes around which economic multiplicity is generated”.

Figure 13. A diverse economy framework

<i>Transactions</i>	<i>Labour</i>	<i>Organisational form</i>
MARKET	WAGE	CAPITALIST
<i>ALTERNATIVE MARKET</i> <i>Local trading systems</i> <i>Alternative currencies</i> <i>Underground market</i> <i>Coop exchange</i> <i>Barter</i>	<i>ALTERNATIVE PAID</i> <i>Cooperative</i> <i>Self-employed</i> <i>Indentured</i> <i>In kind</i>	<i>ALTERNATIVE CAPITALIST</i> <i>Environmental ethic</i> <i>Social ethic</i> <i>State enterprise</i>
NON-MARKET	UNPAID	NON-CAPITALIST
<i>Household flows</i> <i>Gifts</i> <i>Indigenous exchange</i> <i>Theft</i>	<i>Volunteer</i> <i>Housework</i> <i>Family care</i>	<i>Communal</i> <i>Independent</i> <i>Feudal/Peasant</i> <i>Slave</i>

Source: Cameron and Gibson-Graham (2003, 152)

The ‘community economy’ brings together earlier points that relate to Gibson-Graham’s expanded notion of class (de-coupled from necessarily deriving from forms of capitalist exploitation) and the deconstruction of the capitalism/noncapitalism binary. Prior to the deconstruction of the capitalism/noncapitalism binary and the expansion of the notion of class it would have been

possible to simply read off a binary logic of exploitation/care that respectively corresponded to the logic of capitalism/noncapitalism (white row/shaded rows) in the framework. With the deconstruction of the binary logic however, and an expanded notion of class, the analysis of exploitation and/or care can be found (potentially simultaneously) in any part of the framework. Faced with the dissipation of an easily identifiable source of (capitalist) exploitation, Gibson-Graham turn to the exploitation inherent in their expanded notion of class to inform new ethical practices in a community economy (Gibson-Graham n.d.). Their notion of class therefore appears to establish a new binary register of exploitation/care in terms of which economic activities can be evaluated irrespective of where they may be located in the framework. These insights, in turn, raise new questions, to which I will return. For now, I continue the examination of the framework they offer.

Figure 13 is structured in terms of three categories: '*transactions*', '*labour*', and '*organisational form*'. Indeed, a diverse economy is summarised as a totality in which there is the coexistence of:

- different kinds of *transactions* with their multiple calculations of commensurability;
- different ways of performing and remunerating *labour*;
- different *modes of economic organisation* or enterprise with their multiple ways of producing, appropriating and distributing surplus labour (Cameron and Gibson-Graham 2003, 153, my emphasis).

What is less clear is how Gibson-Graham arrive at the three key categories italicised. To provide an answer, I trace my own route back to their (Marxian) description of capitalism to account for the origins of the categories and why they might be important to Gibson-Graham. It seems that they are somewhat reluctant to provide a definition of capitalism because they consider the debates surrounding Marxian definitions of capitalism to be a diversion from the central

aim of their project. Thus they proffer a relatively general description of capitalism as:

“...a system of generalised commodity production structured by (industrial) forces of production and exploitative production relations between capital and labor. Workers, bereft of means of production, sell their labor power for wages and participate in the labor process under capitalist control. Their surplus labor is appropriated by capitalists as surplus value. The capitalist mode of production is animated by the twin imperatives of enterprise competition and capital accumulation which together account for the dynamic tendencies of capitalism to expand and to undergo recurring episodes of crisis” (1996, 3, footnote 4).

The term ‘Transactions’ captures the sense of exchange conveyed through the selling of labour power and commodities produced. The category ‘Labour’ is referenced to the forms of work and the conditions under which work is performed, rewarded and exploited, and ‘Organisational form’ can be traced back to the ‘modes of production’ stated in the description. It is in this sense that the categories forming the columns are derived from a Marxian understanding of capitalism.

Gibson-Graham are more explicit about the categories forming the rows of Figure 13. The distinctions in the ‘Organisational form’ column are attributed directly to an inspiration from Marx’s work where he distinguishes between capitalist and non-capitalist forms of surplus appropriation and distribution (Gibson-Graham 2002, 39). Thus, the categories that grid the figure seem thoroughly determined by a Marxian understanding of capitalism.²⁶⁷ Even if it is accepted that in their view, capitalism has been emptied of an inherent capacity to dominate our understanding of economies, this still seems somewhat

²⁶⁷ This has two effects that are worth noting. Firstly, despite proliferating the range of activities we might consider as part of diverse economies, it is hard to see where ‘consumption’—or for that matter, distribution—might fit into the representation of Figure 13. It is surprising that consumption does not feature more prominently given its significance in the types of economy that Gibson-Graham are committed to revaluing. Economies such as the ‘care economy’, ‘economies of generosity’; and in the context of this thesis, the importance of the consumptive economies of poor people. The second effect appears to elevate ‘production’. This is also surprising when ‘production’ is considered by Gibson-Graham as generally (though not essentially) bound up with notions of masculinity (Cameron and Gibson-Graham 2003, 150). In the future it would be interesting to think through how this representation of the diverse economy might adapt to accommodate different categorical axes, and/or an equal emphasis on consumption.

surprising given their intention to acknowledge diverse economies. Conceivably, we can ascribe Gibson-Graham's emphasis on capitalist descriptors of the economy and an emphasis on 'production' to their commitment to an engagement with the Marxian Left. This is a broader question, which I do not want to pursue here. What I think is important to address is how 'capitalism' continues to shape their understanding of diverse economies, despite aims to the contrary, and perhaps not in the way intended. I will return to this issue in section 6.2.

Despite these caveats, Gibson-Graham's representation of a diverse economy does suggest that a diverse range of hitherto 'invisible' activities are interrelated with the 'real' economy. Gibson-Graham are effectively representing *difference without dominance* within a diverse economy through this particular framework. The representation of diverse economies shown in Figure 13 makes it clear that capitalist relations are only a small set of the overall activities within an economy. Or, to put it another way, the activities comprising the economy are more numerous. It also makes visible that there are many different ways of provisioning and that people engaged in economic activities can have many different identities, sometimes simultaneously (cf. Narotzky 2005). It follows that economies must overlap. This suggests that economic identities are no longer fixed and power is conceptually equalised between and across different economies, if temporarily. What does seem fixed, though, are the different segments that make up the 'diverse economies framework'. Gibson-Graham suggest that relations can be traced in any direction across the framework. What remains constant however, is the identities/qualities of each segment in the grid. At the very moment that the grid is established by delineating the segments, the relations between the segments are reified. Although we are encouraged by Gibson-Graham to see Figure 13 as always provisional, the effect of delineating a grid is to shift the representation of the economy from a binary pair to a series of segments. Rather than having two segments, there are now many. Below, I

present a summary of the Gibson-Graham's argument before considering some questions that the notion of diverse economies raises.

Following Gibson-Graham, I have identified five key terms/processes that together provide a means of theorising diverse economies. In sum, they suggest that our understanding of the economy is constituted by *representations* and that our representations of the economy are specific and particular. They draw on the notion of *performativity* to think about how representations are (re)produced. And in particular, they focus on the performativity of *binary* representations of the economy. They point out that these binary representations have an important effect; namely that the capitalist economy is framed as having a *singular* identity and is stable. Closely related and intertwined with this binary representation and its effects is that the capitalist economy is *essentialised* as having unchanging qualities.

The overall effect of this analysis is to suggest three insights about how we may understand contemporary economies. First, that the analysis sets out explicitly to disrupt the binaries that operate in our understanding of an economy (in general) and specifically, to equalise the power relations between the terms, if only temporarily and partially. Second, that the concept of diverse economies decentres the identity of the economy and its singularity in its capitalist form. Thirdly, it attempts to avoid essentialising the capitalist economy as inherently progressive, triumphant and propulsive. The result is that we have a theorisation of 'diverse economies' that enables us to think of the informal economy, the household economy, dependence of the natural resource base, and the formal economy of Durban as contributing to one economy without any one element inherently dominant or seen as more significant. Since capitalism has no inherent mode, economic growth cannot be attributed solely or necessarily to the 'real' (capitalist) economy. This theorisation provides the productive basis for a number of new questions.

6.2 New questions

In thinking about the potential of the notion of ‘diverse economies’ I want to return to a distinction noted at the outset of this Chapter. I suggested that the potential to see poor people’s economic activities as contributory to economic growth lay, first, in admitting difference in ‘the economy’ *and then* resisting the temptation to ascribe any inherent quality to a particular set of activities such as dominance to those activities identified as capitalist.²⁶⁸ Although these two moments are intricately related, I insist on the need to hold them apart, for reasons I will explain.

I think that the way in which the notion of ‘diverse economies’ comes together in the ‘diverse economy framework’ tends to collapse these two moments of analysis into one. I pointed out earlier that the categorical grid of the ‘diverse economies framework’ (See Figure 13) appears derived from a Marxian analysis of capitalism. But, at the same time as capitalism is omni-present in the categorical grid, its dominance which stems from binary understandings of the economy must be denied to allow different economic activities to become ‘visible’ and ‘sayable’. This effect is reinforced because, through the grid of the ‘diverse economies framework’, the different identities of parts of diverse economies are bounded, and hence frozen in relation to each other. There is the possibility of seeing a multiplicity of relations between the different parts of diverse economies, but the identity of each part remains fixed and unchanged by the interrelationships. Thus when these unchanging identities of different elements in diverse economies are situated within an overall categorical grid of capitalism, the result is a tendency to conflate the two analytical moments and only see ‘difference’ without ‘dominance’.

²⁶⁸ It is important to resist ascribing any inherent, unchanging qualities to any part of diverse economies. For example, it is important to avoid mythologizing any qualities of an informal economy (Samers 2005). Nonetheless, for the purposes of illuminating the argument I will continue to focus on the example developed most fully by Gibson-Graham.

There are three issues raised by this analytical conflation that work towards exploiting the potential of the theoretical basis of diverse economies. These three issues suggest new questions that retain the potentialities raised by the theoretical basis of diverse economies.²⁶⁹ The first issue is that it becomes difficult to see dynamics between the differences brought into view by diverse economies. The second issue concerns the possibilities of operationalising the notion of diverse economies – particularly in relation to delineating different economies and hence, their interrelated dynamics. The last issue is related and focuses on how the dynamics themselves might shape and constitute the identity of differences within and between diverse economies. I will consider each in turn.

The first issue arises because through the ‘diverse economies framework’ there is a tendency to default to a view that we can only see difference in diverse economies if we do not see dominance. This makes it very difficult to account for those moments when dominance within or between elements of diverse economies may indeed be important. It also leads on to a broader point that the differences between all elements are apt to be flattened (cf. Samers 2005). Inevitably, once the differences in dynamics have been flattened, a new register of difference is needed to be able to differentiate activities within and across diverse economies. Thus a new singular (binary) register of exploitation/care is introduced through Gibson-Graham’s expanded notion of class to differentiate economic activities. The register of exploitation/care is used by Gibson-Graham to foreground those economic activities that strengthen “the viability of non-capitalist activities in which social surplus is communally produced and distributed on the basis of ethical principles to collectively decided-upon ends” (Cameron and Gibson-Graham 2003, 153). While I am fully in support of these ethical views, the point I want to make is that this is not the only register of difference that exists and should be seen as the beginning of the analysis rather than the end.

²⁶⁹ Indeed, Gibson-Graham (n.d., 7, emphasis original) invite analysis that seeks to “move beyond the issue of representing economic *identity* to that of representing economic *dynamics*”.

In sum, Gibson-Graham focus on how representations of capitalism tend to erase all other economic registers except its own. Through the notion of 'diverse economies' we have the ability to resist this process of erasure and make different economies 'visible' and 'sayable' and, in so doing, see these diverse economies as interdependent in different ways. However, the representation of diverse economies in the 'framework' ultimately results in all the diverse economies being brought back into a single (binary) register of exploitation/care and flattening the differences between the relationships of the different elements. The second issue relates to difficulties in operationalising the notion of diverse economies and follows on from this.

Gibson-Graham succeed in pluralising the universe of economic activities. However, they simultaneously multiply the number of economies that are visible. Multiplying the number of economies raises a number of operational difficulties. For example, how is possible to identify the boundaries of an economy? How is it possible to distinguish one economy from another? Inevitably it seems the answers to these questions lead back to an essentialised view of each economy having a 'core' set of characteristics. Given that the term 'economy' is still needed, I propose the notion of a *differentiated economy* that retains the diversity of activities but brings a bounded and singular economy into view. This proposal raises fresh problems since it suggests a singular and bounded economy – two of the features of economic understanding Gibson-Graham's notion of diverse economies has been at pains to disrupt. In order to retain the potential of Gibson-Graham's notion of diverse economies I propose to *spatialise* the notion of a differentiated economy which might not entail a single boundary for all economic activities in a place. In sum, I retain the term 'economy' for what might be considered the 'whole' and use the terms aspects, registers, and activities to highlight diversity. I return to this issue in moving beyond diverse economies below.

The third issue requires a return to the theoretical basis of diverse economies: specifically to the insights that emerge from the deconstruction of dominant binary logics. Through the deconstruction it becomes possible to think of the identity of different terms as less bounded and less pure and more open to being constituted by multiple identities. These possibilities, in turn, suggest that the relationships and dynamics between terms could be important in themselves, contributing to the identity of activities. However, in the 'framework' the identities of different elements of diverse economies are bounded and it becomes difficult to see how the relationships or dynamics between different elements might themselves have a level of agency in constituting diverse economies. A consideration of the agency of the relationships between elements is important here because it offers a way of holding the 'framework' open to difference. As a consequence of these two issues, it is important to find ways of separating the two analytical moments. I argue that one way of doing this is to elaborate the spatiality of diverse economies, since the spatiality of activities animates and embodies different relationships amongst elements.

To suggest the need to explore the spatiality of diverse economies may seem odd. After all, as I suggested above, Gibson-Graham consistently attend to the geography of diverse economies. They are acutely aware that space 'matters' (Gibson-Graham 1996) and the concept of diverse economies offers the potential to "reread the economy to open up the entire economic space to resignification... [rather than] simply investigating the interstices and bringing minority practices to light" (The Community Economies Collective 2001, 4). Put in these terms, spatiality is highlighted and appears integral to any analysis of diverse economies. I have two concerns, however, that suggest that the current representations of spatiality may not be able to deliver on the potential analysis of diverse economies.

My first concern is that Gibson-Graham's spatiality of diverse economies remains too abstract. Gibson-Graham (1996, 5) have, I believe, shown how capitalism is

represented as heroic, triumphant, unitary and phallic, structuring “social space and conferring meaning upon social practices and positions”, and that this is part of the binary relationship to non-capitalism. They suggest ways to escape these binary relationships, if only partially and temporarily. However, what seems to have remained beyond the purview of their analysis is that by engaging with capitalism as a spatially abstract, universalising concept, they have remained at this level too. Consequently, the concept of the diverse economy appears spatially abstract and universal too. The result is that there is little sense of the spatiality of the diverse economy or how space could make a difference to the constitution of diverse economies and we lose the ability to attend to the relationships or dynamics that both constitute and work across/between aspects of diverse economies.

My second concern is that where the spatialities of diverse economies are specified, they tend to be developed only in one (albeit important) dimension: the contrast between the global and the local. As I suggested in the section on strategies above, Gibson-Graham’s spatial strategic response is to revalue the effectivity of the local. In so doing, they are sensitive to theoretical developments that point to the ways in which spaces are relational, in the sense of being co-constitutive of each other (for example, Gibson 2001; Gibson-Graham 2002). Thus it is not that Gibson-Graham deny the possibility of a relational sense of space (that might demonstrate some of the effects of the relationships), but that the spatiality of diverse economies appears only relational in one dimension: the global/local. It is almost as if the development of their understanding of the spatialities of diverse economies has become snagged up in the deconstruction of the capitalism/noncapitalism binary and now lags behind the main thrust of the analysis.

These concerns around the spatiality of diverse economies raise the following questions: once we consider the spatialities of diverse economies, how does space alter our appreciation of the effects of the relationships between different

elements? And, how can we see difference within diverse economies without flattening all relationships into a single register of calculation?

6.3 Moving beyond 'diverse economies'

In the previous section I suggested that the notion of 'diverse economies' as it currently stands opens the possibility of seeing difference within the economy by deconstructing representations of capitalism and the economy as co-extensive. For Gibson-Graham, difference in the economy cannot emerge because it is entrapped in the hierarchical relationship of capitalism to noncapitalism. The condition under which difference can emerge is without dominance. The result is that we have the possibility of seeing difference only when the dominance of capitalism is refused. However, this 'diverse economies framework' appears to cramp the potential of the concept of diverse economies. This is because the 'framework' tends to fix the identities of the different elements, only allows difference to emerge when not seeing the dominance of capitalism, and hence, tends to reduce the calculation of difference to a single register of exploitation/care. In this section, I suggest some ways in which attention to the spatiality of diverse economies might hold these two analytical moments (analysing diversity and dominance) of the concept of diverse economies apart.

I suggest that drawing on a relational understanding of space requires attending to how economic activities relate to each other. In a relational understanding of activities, it is not the physicality of space that is privileged – distances, areas and nodal points – but how different activities co-constitute each other across space even if the physical distance between the activities is very large.²⁷⁰

Attention to the relational spatiality of activities offers a means of seeing a differentiated spatial economy as unbounded and porous – open and continually

²⁷⁰ We should bear in mind AbdouMaliq Simone's (2005a) counsel that not all relations are potentially stretchable and that the activities that make local survival possible can be difficult to mobilise on a larger stage.

being remade and (re)presented. This makes it possible to think of economic spaces as being discontinuous and internally variable (Allen et al. 1998). Differences within an economy emerge through the relationships that exist between different activities and economic registers, rather than because of any formal boundary plotted on a juridical map. Thus we could admit any number of relationships that could differentiate the spaces of an economy. We can think how the effects and understandings of activities that make up a differentiated spatialised economy might, for example, displace, separate, permeate, isolate, and overlap with other activities. Or, we could consider how the relations are transitory, ephemeral or sometimes invisible (Simone 2004). 'Assemblages' of activities may come into view as moments in a relational structure of meaning (Amin and Thrift 2002). Or, how 'trans-local' relations might shape the nature of economic activities that make up a differentiated spatial economy (Smith 2004). Additionally, we can think how the spatiality of the relationships themselves might co-constitute different activities in a differentiated spatialised economy. As Massey (2004, 5) points out, this includes relations which are non-relations, hiatuses and absences.

Attention to the enactment and embodiment of economic activities across different economic spaces requires attending to how activities are understood in terms of their relationships with other activities. It becomes possible to see dominance or separation or the interdependence between activities, not because of any inherent quality attached to a particular aspect of an economy, but because of the effect of the relationships themselves. These effects are likely to have different geographies, temporalities and will affect different people in different ways (Allen et al. 1998). I am far from claiming that capitalism is never or even rarely dominant in a diverse economy. It is also not my intention to suggest that other economic activities can also be dominant. It is important to note though, that capitalism exists in different relations to other aspects of economies and that these relations are themselves important to understand the many activities that make up different economies. This directs attention to two

areas of inquiry. It requires attention to the way in which economic agents differentiate economic activities because this points to which activities are being made 'visible' and 'sayable' in different contexts. It also requires that the way in which activities are measured and calculated need to be flexible enough to work across different aspects of the economy rather than flatten the calculation of activities and their effects into a single register and thus make only a limited range of activities 'visible' and 'sayable' (Cameron and Gibson-Graham 2003; Wood 2003). In sum, a differentiated, spatialised economy emerges from a focus on a diversity of economic activities in different economic registers, the changing nature of the relationships between activities, and a decentring of the dominance of capitalist activities as the only locus of economic growth.

6.4 Conclusion

It is worth recalling that in this Chapter the balance of my analysis tipped to consider a broader view of the economy, as opposed to the narrow view of the economy invested in by theories of poverty. I have suggested what an alternative understanding of 'the economy' might look like; indeed, one that could be promoted in the interests of those considered poor. To address this task, I focused on one approach – that of 'diverse economies' – which has sought to admit difference in the economy and so widen the possibilities of poor people's economic activities being seen as contributory to economic growth. In this chapter, I presented Gibson-Graham's theoretical position of diverse economies. I did this by considering diverse economies as a concept and how the theoretical basis, strategies and diverse economies framework all work to underpin this concept.

Threaded throughout this Chapter have been the themes of 'difference' and 'dominance'. I noted how Gibson-Graham's strategies offered the possibility of opening our representations of the economy to difference and how assumptions

about the dominance of capitalism could be held at bay in analyses of the economy. However, it also seems as if the representation of a diverse economy in the 'diverse economy framework' works against the theoretical position Gibson-Graham adopt. The 'diverse economy framework' appears to pose two problems. Firstly, the segmented (but diverse) economy tends to reify the different parts of the economy by bounding them and flattening the differences, thereby reducing them all to a new common (binary) register of exploitation/care. The second problem is that it tends to restrict a relational understanding of economic activities from emerging within economies. I proposed that as long as we hold '*difference*' and '*dominance*' apart in analytical terms, we have a powerful and workable concept to move forward with. I suggested that spatialising the notion of diverse economies in terms of a relational sense of space could generate a notion of a differentiated spatialised economy, thus keeping these analytical moments apart. In the following chapter, I propose to utilise this notion of a differentiated spatialised economy to make poor people's economic activities 'visible' and 'sayable' as contributing to economic growth in Durban.

seven

Writing poor people's economic activities into a story of economic growth

The aim of this chapter is to shift the dominant view of Durban's economy presented in Chapter Five by demonstrating how poor peoples' economic activities contribute to economic growth. In the previous chapter, I suggested that this involved 'seeing' and making 'sayable' a wider range of activities *as economic*, related, interdependent and overlapping in different ways. In Chapter Four, I introduced the research field site of C-Extension. There I drew upon the community history to illustrate how urban Apartheid contributed to poverty. Now I return to C-Extension to show how poor people's economic activities are a constitutive part of Durban's economy and of processes of economic growth. I suggest a number of ways in which poor people understand their economic activities in relation to other activities and actors and how this points to the overlapping of activities, sharing of infrastructures, and multiple forms of interconnectedness.

In the previous chapter, I drew attention to Gibson-Graham's three 'strategies' that inform the notion of a differentiated spatial economy. To recap: these include generating new economic *subjectivities*, *deconstructing* (dominant) representations of the economy, and attending to the (extended) *spatiality* of economic activities. The organisation of this chapter in three parts broadly follows Gibson-Graham's three strategies.

For example in the first part, the issue of stimulating new economic subjectivities strongly informs the methodological considerations in locating the field site, research participants, and their activities within existing discourses. In the second part, I attend to the deconstruction of dominant representations of the economy. I show how the research participant's understandings of their activities disrupt the singular meanings of economic activities that lend themselves to binary representations of the economy. I approach the issue in four different ways, demonstrating different aspects of the interdependencies, entanglements, and interconnections that constitute Durban's economy. I then step back from the immediacy of C-Extension to pursue slightly broader claims that seek to avoid essentialising the capitalist economy as the centre of growth by dislodging and decentring activities assumed to be associated with economic growth. In the third part, I draw together the claims I am making under a broad sense of the spatiality of economic activities that emerges. I propose to use Gibson-Graham's strategies to critique the dominance of the existing poverty reduction strategies of 'absorption', 'connection', and 'inclusion'.

Suggesting that poor peoples' economic activities contribute to economic growth is not the same as arguing that poor people are not in need of assistance. Nor does it suggest that benefits and services are distributed equally in Durban as the vast disparities in living standards (Nicholson 2000) and inequality (Casale and Thurlow 1999) show. Noting the ways in which poor people's economic activities are inside a story of economic growth is not the same as seeing them as equal or secure (Adato, Lund, and Mhlongo 2004). However, I aim to show that it is possible to bring a different view of the economy into view, to enable poor people's economic activities to be considered to contribute to the economic growth of the city in order to stimulate different policy thinking about how to address poverty. In terms reminiscent of the Monitor Group's analysis of Durban's formal economy, AbdouMaliq Simone writes that the aim is to consider how poor people's economic activities, "themselves might act as a *platform* for the creation of a very different kind of sustainable urban configuration" (2005a,

4, my emphasis). This will lead onto the final Chapter – the Conclusion – where I will outline some of the implications for theories of poverty and suggest ways in which this approach to the economy might begin to inform another view of economic growth for theories of poverty to draw upon.

7.1 Generating economic subjectivities

Gibson-Graham (2004, 417) note that performances of diverse economies “entails not only new understandings but new ways of talking, of being in the world, and thus new subjects, co-created along with a different ‘objectivity’.” One approach to this issue is to displace dominant discourses by talking about other ways of being in order to yield new possibilities of subjectivity and action (Gibson-Graham 2004, 407). Here I pay particular attention to the subjectivities of the research participants in the field site while briefly touching on issues relevant to municipal officials and policy-makers. In the Conclusion to the thesis, I return to consider the issue of municipal officials’ and policy-makers’ subjectivities more thoroughly.

In this context the issue of an ‘authentic poor voice’ that was first encountered in Chapter Two is important. To some extent, the notion of an ‘authentic poor voice’ underpinned all of the five studies discussed in Chapter Two. However, it was particularly apparent in the three studies that sought to define and analyse the *experiences* of being poor – the Carnegie Inquiry, SA-PPA and Poverty Hearings. In Chapter Two I suggested that the appeal to an ‘authentic poor voice’ is ultimately a political manoeuvre since it rests on the (false) assumption that poor people somehow exist beyond discourses of poverty. Meinhof and Richardson (1994, 14) observe:

“...poverty is not now, nor has it ever been, just a matter of material existence for poor people. It is, too, a symbolic state, a state that must be appropriately embodied in its

representatives. The bodies and accoutrements of the poor must bear direct, 'true' witness to their poverty – just as much on the streets as on television or in the press”.

I propose that we could equally add, 'research' to this list of 'streets', 'television', and the 'press'. In this view then, it was not surprising that on my initial entry to the field site, and with a small group of people, the framing of my research as focusing on 'the economy' generated very specific subjectivities amongst both researcher and researched. These subjectivities were enacted through behaviours and responses in which all economic activities apart from full-time, permanent employment in the formal economy were erased. Since a fair proportion of people in the field site were not in full-time, permanent employment, economic activities in general tended to disappear from view! Fortunately, I was able to adjust the way in which the research was framed before it was introduced to the wider community and the research participants in particular.

Gibson-Graham (2002) point out that performances of diverse economies require new subjectivities on the part of both the researched and researcher. As was acknowledged in reflecting on the motivation for the Carnegie Inquiry, engaging poor participants in the field requires a delicate balance. Timothy Mitchell (1998, 83) notes this is because poor people are “themselves caught up in these forms of representation – though only at the margins”. The way that I maintained the balance was by seeking to continue to locate the research participants in broader discourses of urban poverty, but simultaneously, displacing the dominant discourse by invoking a discourse of 'valuing what people do'. To achieve this the methodology used a mix of data generation techniques.

7.1.1 *Identifying and situating the research participants*

To locate the research participants within existing urban poverty discourses – spatially and in terms of poverty – involved specific choices in selecting a field

site and a socio-demographic survey. In this section, I first explain the reasons for choosing C-Extension as a research area and identifying the research participants. I then proceed to briefly outline how the data was generated. Greater details of the methodology are included in the Methodological Appendix (Appendix 1).

The methodological issues that frame the generation of the research data are crucial to the argument I am elaborating. Within the existing frameworks and systems of meaning, I deliberately set out to engage people in a place considered least likely to contribute to economic growth in Durban. The rationale was that if it can be shown that those considered least likely to contribute to economic growth (within existing discourses) are inside the story of economic growth, then other income poor and spatially marginalised people are also likely to contribute to economic growth as well.

C-Extension was chosen for a mix of practical, academic, and strategic reasons. Practically, the area was stable and safe to work in, and offered ease of access. Academically, I wanted to minimise the chance of the argument I am proposing being dismissed because of 'location effects', and/or because the participants in the research were not considered to be amongst 'the poorest'. The urban poverty discourse that was presented in Chapter Four sets out very specific and certain understandings of the form of South Africa's post-Apartheid cities and the dynamics of poverty within them (cf. Todes 2000). In terms of 'location', it is already accepted in South Africa that poor people try to move closer to places of (formal) work and informal trading opportunities to improve their income (Rogerson 1996; Bouillon 2002a). The result is an acceptance of a general rule that the closer poor people are to the centre of the city (and economic opportunities), the more likely they are to contribute to the formal economy and the less likely they are to be poor. Thus, results that suggested that poor people in inner-city locations are contributing to economic growth would tend to confirm the general rule but critics could argue that this still left poorer people in more

peripheral locations outside of the economy. It is worth recalling from the description of C-Extension in Chapter Four, that the reasons noted for why formal economies have not developed in township areas are suggested to be because of low thresholds, which in turn, are consequent upon a spatially dispersed population and low incomes. Perceptions of crime and violence are also considered to deter economic investment. Economic activities that do arise in township areas generally face, poor infrastructure, a lack of support services and the problem of low thresholds (Harrison, Todes, and Watson 1997, 44). I therefore selected a peripheral area to the north of the city (25km from the centre of the city) to minimise the possibility of this criticism. In 'income poverty' terms, the Black townships to the north of the city are generally estimated to be poorer than those to the south of the city (Casale and Thurlow 1999). As a result, the general milieu of the northern townships is likely to be the poorest (INK URP 2004).

In Chapter Two, the figure of the 'poorest of the poor' emerged as a Black, rural, woman through the Carnegie Inquiry. Over the years the view has been refined and in terms of the 'poorest of the poor' discourse, the probability of being (income) poor is increased if the person is Black, a woman, unemployed or earning a low wage, having a low level of education, and living in an area peripheral to the city centre and formal economy (Bhorat, Poswell, and Naidoo 2004; Budlender 1999; Casale and Thurlow 1999). These probabilities framed the process of selecting a research area and research participants. Accordingly, within C-Extension, a random, stratified sampling system was used to identify research participants in households most likely to be the (income) poorest (see Appendix 1).

The final factor was strategic in that C-Extension is located within an eThekweni Municipality Area Based Management Pilot project and Presidential Lead Project area. A key concern of this project is to explore the possibilities for the economic regeneration of peripheral townships around Durban. This offers the potential

for the results generated in this research to feed into ongoing developmental initiatives.²⁷¹

The practical and strategic reasons for choosing C-Extension as a field research site were made explicit to the research participants in the course of the research. However, the suggestion that C-Extension might be typical of one of the (income) poorest areas in the city was deliberately not made explicit when engaging the participants in the research because the research was seeking to displace the subjectivities that dominant discourses of poverty could potentially trigger.

To identify the research participants in terms of conventional classifications of poverty a *socio-demographic survey* component was extracted directly from the format of Statistics South Africa's (2003b) Labour Force Survey questionnaire. The purpose was to generate data on economic activities in the same format as national surveys and as a result to make it possible to locate the participants in this research within dominant discourses. I describe the results in the section below.

7.1.2 Existing representations of C-Extension and the research participants

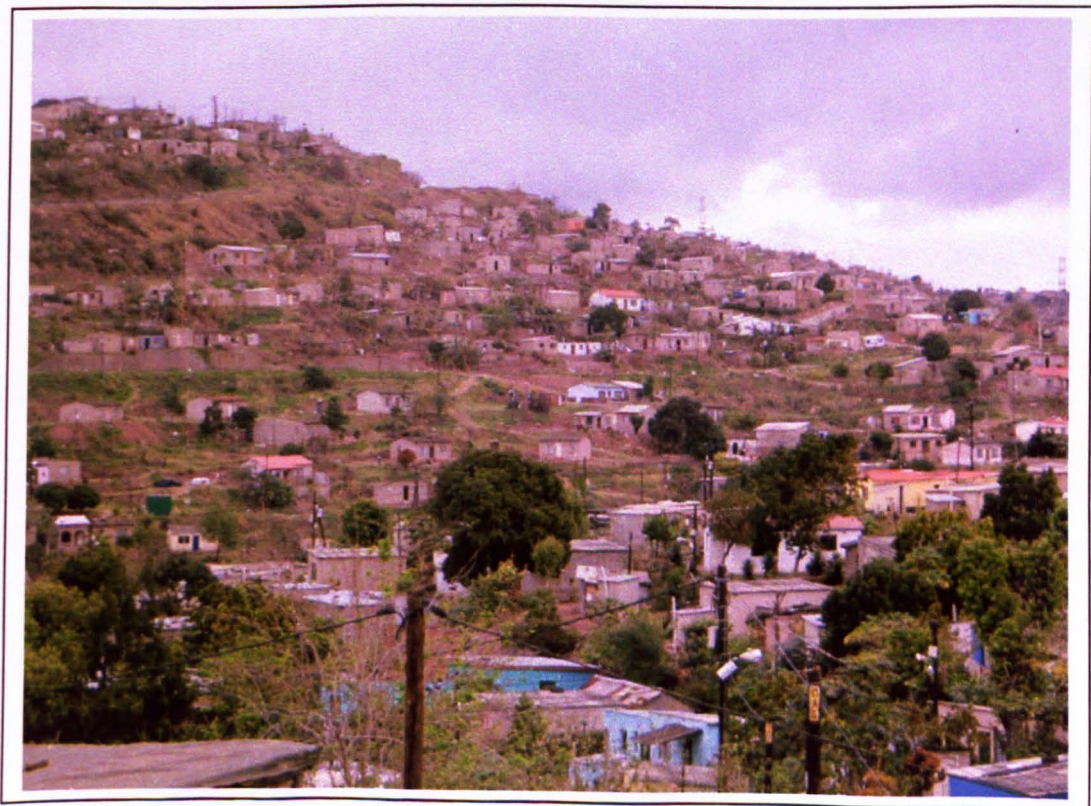
The houses that make up C-Extension are built into a steep hillside between a major arterial road and a river (see Figure 14). The steep slopes (characteristic of a large proportion of Durban's topography) make access to many houses extremely difficult and infrastructural servicing more expensive. They also result in very little useable space on each site. The chances of increasing the size of

²⁷¹ The concept of Area Based Management as a form of decentralised, better co-ordinated local government service delivery is currently being piloted in Durban with support from international donors – particularly the European Union. The Inanda-Ntuzuma-KwaMashu area which contains about 500,000 people (20 per cent of Durban's population) has been allocated additional funds after President Mbeki singled it out as a Presidential Project in his annual speech to Parliament in 2000.

useable space for each household is unlikely since retaining walls would have to be well constructed and hence, expensive. Most households live in dwellings constructed from concrete blocks. Some continue to live in dwellings made from corrugated iron or wattle and daub.

The community benefits from a secondary school and a church within its immediate vicinity and has easy access to bus and mini-bus taxi routes. The area is located about 25 kilometres north of the central city in Municipal Ward 42. The closest clinic and post-office is about thirty minutes walk away. One 'formal' shop stocks very basic groceries. The area has recently benefited from additional National Housing Subsidy funding to provide waterborne sewerage to each site and 'consolidate' each dwelling. The peaceful air belies the violent history described in Chapter Four, the physical remnants of which are the burnt houses and sites that remain unoccupied.

Figure 14. Photograph of Inanda Newtown Section C-Extension (2004)



Socio-demographic profile of participants

The purpose of this section is to locate the participants in the research within the key features of the dominant discourses of urban poverty. The participants in the survey all declared a monthly household income below R1,800. The median monthly household income in the surveyed households is between R800 and R1,200. In Durban, the eThekweni Municipality calculates that in 2003 households that earned less than R1,741 per month were 'ultra-poor' and households that earned less than R2,762 per month were 'poor'.²⁷² In income terms, the households that participated in the research can therefore be categorised as 'ultra-poor'.²⁷³ All of the participants in the research were Black and identified C-Extension as their place of residence. Certainly since the Carnegie Inquiry, gender has been an important component of representations of poverty. In this research, 60 per cent of the participants are women. The participants declared the average number of years of schooling of the household head as 6 years, which means that these people have not attended high school. The implication is that their opportunities for competing in the formal labour market are extremely limited (Casale 2002).

In sum, the demographic profile of the participants and their households are located firmly in the grid of probabilities that increase the chances of being considered among the poorest. The participants live in a peripheral location, they are mostly women, not in full-time and permanent employment, the household heads have low education levels, have low household incomes and in terms of South Africa's racial categories, are Black. If the demographic profile suggests that in terms of dominant accounts of poverty, these people are unlikely to be

²⁷² Brian O'Leary, Interview 29/03/04.

²⁷³ For indicative purposes only the per capita income of the households was in the range of a little over US\$1 and US\$2 per day. This figure is indicative because the (notoriously unreliable) income data collected is based on an income range, and the calculation is based on an assumption of adult equivalent expenditure ratios and average figure for the US dollar/South African Rand exchange rate in 2004.

able to contribute to economic growth, then the time-use methodology that displaced these discourses and subjectivities by ‘valuing what people do’ suggests something quite different.

7.1.3 Displacing dominant economic subjectivities

Perceiving poverty as a multi-dimensional discursive and material condition means that the subjectivities of poverty can be triggered in many ways. Consequently, to minimise the unseen ways in which the materiality and symbolism of poverty might influence participant’s responses the research was never framed in terms of ‘poverty’. Care was also taken to minimise the use of the term ‘the economy’ which also triggers subjectivities of poverty. What counts as ‘the economy’, what is an ‘economic activity’ and how this is expressed is part of much bigger discourses about ‘unemployment’, ‘poverty’ and ‘development’. As Friedland and Robertson (1990a, 27) observe people’s ideas, preferences and understandings “are formed not simply in response to the opportunities that are available, but through the discourse through which people understand what choices are available, what is legitimate or socially appropriate to want, and according to the particular metric in which its costs and benefits are to be evaluated”. As such, ‘the economy’ and what counts as an economic activity is intricately imbued with all manner of values, behaviours and attitudes (cf. Kaneff 2002; Humphrey and Mandel 2002). To minimise the ways in which this could influence participant responses, the research was framed in terms of *‘valuing what people do’*.

A *time-use survey* was used to record what activities participants’ engaged in over the previous 24 hours.²⁷⁴ Participants then identified their most important

²⁷⁴ The utilisation of time-use survey methodologies is officially accepted in South Africa (see for example, StatsSA (2001)) and widely drawn upon in gender studies for its value in bringing unpaid work into view (see Methodological Appendix for more details).

activity during recorded period and were then asked a tailored set of *in-depth questions* based on, but not limited to, a prepared list. The process was generally conducted in *isiZulu* and the responses translated into English.²⁷⁵ The result was a confidential dataset comprising detailed information on 20 households and 30 participants. By valuing what the participants did a range of economic activities were made 'visible' and 'sayable'. In the next section, I describe these activities as a basis for the analysis to follow.

Examples of diverse economic activities

There are many examples of economic activity that occur in C-Extension. These include, the consumption of household goods, the movement, circulation and remittance of goods, people, vehicles and money, exchange of commodities and labour, participation in the formal labour market; small scale agricultural production, the production of building materials and clothing, the provision of credit; recycling and repair of items to extend their productive life; and engagement in the government's Extended Public Works Programme. That poor people engage in such activities is consistent with the view of poor people's economic activities as economic and part of the broader economy as established through sustainable livelihoods theory (see also EDD 2000).

There are also many examples of activities that are the source of debate amongst economists as to whether they are economic, productive or relate to profitability, for instance (Wood 1997; Massey 1996). These include household reproduction and caring, securing of pension income, the exchange of gifts, associational activity, investments in children's education and cooperative activity. To my mind, all of the activities listed here are 'productive' (cf. Barker and Kuiper 2003; Ferber and Nelson 2003; Zein-Elabdin and Charusheela 2004). However, for the purposes of the argument being made here, it is not necessary to include these

²⁷⁵ The time-use survey was complemented by the generation of a 'community time-line' conducted with elder members of the community and members of the local development committee. The purposes of the community time-line were to contextualise and inform the responses of the participants within the individual households.

more debatable economic activities. Here I focus on activities that it is agreed fall squarely within the ‘production boundary’ of the economy as defined by the System of National Accounts (Jhabvala, Sudarshan, and Unni 2003; Wood 1997)

To provide a greater appreciation of this myriad of activities I have selected five activities from the overall research sample. They relate to exchange/selling, production, consumption, service provision, and investment. Most of these activities are a composite set of activities and could be drawn on to demonstrate different aspects but for each I highlight one aspect. As the chapter proceeds I will draw on other examples from the participants in this research and other research in Durban that supports my analysis.

The example of exchange/selling that I elaborate is that of Ms J who identified her most important activity as *selling iziqeda*²⁷⁶ to children “from the house and on Sundays ... [I] ... stand by the road and sell to people who come from church. Sometimes if there is a soccer match I sell on the playgrounds”.²⁷⁷ Ms J has been doing this for a few years and contributes income to a household of seven. She started after realising she “cannot rely on [her] brothers and sisters to provide [her] with even basic stuff like milk, bread, etc.” Ms J also produces the *iziqeda* that she sells from her house. The flavoured powder is purchased from formal shops or outlets. After boiling five litres of water on a gas cooker in her spartan one room house, Ms J lets it cool before adding the powder and decanting the mixture into small plastic packets. The individual packets are sealed and placed in a freezer and after one hour are ready for sale. Sales of *iziqeda* are seasonal and well suited to Durban’s hot summer climate. Her sales of *iziqeda* are supplemented by selling industrially produced small snacks. In winter, when Ms J “cannot sell *iziqeda*, only sweets and chips keep going”.²⁷⁸ Sales of all items

²⁷⁶ *Iziqeda* is the isiZulu word for ‘ice-lollies’ in small, clear plastic bags (*isiqeda*, singular).

²⁷⁷ Three of the participants in the research sold *iziqeda* in C-Extension although the other two did not list this as their most important activity.

²⁷⁸ This is a common economic activity amongst small township based traders (cf. Cross et al. 2001).

decrease in the holiday period “because parents don’t give children pocket money”.

There are two participants who are engaged in the *production* of items of clothing in C-Extension. The example set out here relates to Ms D who looks to “magazines and the exhibition centre ... [to produce] ... traditional and casual wear”. On the day she participated in the research, she had walked for 30 minutes to make use of a cheaper phone system. She was having problems securing payment from a customer for an “evening dress ... [for a] ... nurses’ graduation party”. She owns a domestic sewing machine on which she builds up stock during the month and in a good month, she will make a turnover of approximately R2,000. She purchases her supplies of material in town at formal shops along with many other informal clothing producers (cf. Motala 2000). At month-end she travels to a small rural town, to the north of Durban, to sell her stock since this town “attracts customers” and she does not have to rent space in this market. However, there she faces fierce competition and admits that “prices are lower at Mandeni, to fit the other hawkers”. Her participation in the research evoked palpable distress about her circumstances as she worried that “the situation is getting worse” and feared that “maybe my designs are not good enough”.

The example of investment that I cite is equally an example of productive activity, but here I draw attention to the *investment* necessary to engage in the production. The example relates to Mr B who manufactures concrete lintels that are placed above windows and doors in the process of constructing buildings. Faced with unemployment and with experience working in a block yard, Mr B decided to walk through a formal industrial area looking for inspiration and opportunities. “I walked to Briardene ... I saw the mould and realised that was the thing I needed to do”, Mr B recalled. The moulds for casting the lintels are made with fibreglass. It took some persistence, but Mr B finally located a formal manufacturer of the lintel moulds. Believing in his ability to produce lintels (with

only general experience) Mr B “chose four moulds and paid R1,800”. He also invested in a space near to his home to produce the lintels, the first delivery of cement, steel and stones, and paid R25 for the first delivery from a nearby outlet. He states that he now has “five to six customers a month”.

Mr V is engaged in providing a catering *service* in C-Extension and the adjacent areas. Seemingly, with very little of his own equipment and infrastructure Mr V was able to cater for “300 people at a funeral” the week before participating in the research. For each catering event, Mr V draws on a diverse network to fulfil the needs of the event. The catering service is run through an overlapping network of friends and teammates in a local football club that provides a flexible and immediate supply of labour. Mr V advertises through word-of-mouth and by making notes on cardboard and pinning the “advert on electricity poles” and “uses his aunt’s phone because he does not have one”. He “borrows [his] mother’s equipment ...[or]... sometimes lends from a friend who has catering equipment like gas stoves, knives and forks, serviettes, etc.”

The example of *consumption* is that of Ms T who identified her most important activity as cooking for the household. Ms T lives in a household of five where the sole source of income is a State Old Age monthly grant. She remarks that she purchases the cooking ingredients of “curry powder, spices and rice ...[and] ... potatoes, onions, tomatoes, oil...” at a nearby formal wholesaler “because it’s cheaper”. However, buying in bulk requires that Ms T “pay for another seat to put my goods” in the mini-bus taxi on her way home. Taking note of a radio advertisement she goes slightly further afield to purchase the paraffin she uses for fuel. Despite the house being connected to the electricity reticulation system, Ms T prefers paraffin to electricity and supplements the household energy needs with gathered wood if paraffin is unaffordable (cf. Jones, Aitken, and Luckin 1996; Mehlwana 1997). The difference in price between local outlets and formal outlets is appreciable although it takes more time to obtain the paraffin in this way. She states that paraffin in Phoenix “costs about R3 per litre and in nearby

stores, one litre is R5". She purchases "20 litres every two weeks and brings along her own container". Ms T cooks once per day and notes she "normally cooks at lunchtime to eat at supper time". She cooks in the daylight so saving money on lighting and in two big pots because she wants to "have remaining food for breakfast and lunch the following day".

To understand these activities as economic is a necessary initial step and confirms what sustainable livelihoods theory has established, that poor peoples' economic activities are part of the economy. However, it does not resolve the problems that because their output and income flows are small and because they are in a peripheral spatial location, they are perceived by policy makers as being unable to contribute to, and disconnected from, the processes that relate to economic growth. I therefore turn to consider ways in which Durban's economy can be represented to include these activities as part of the processes of economic growth.

7.2 Economic activities in Durban's economy

In this section, I propose to write poor people's economic activities into the story of Durban's economic growth. In two interrelated parts, I elaborate on the suggestion from the previous chapter that it is necessary to bring 'difference without dominance' in the economy into view. In the first part, I intend to continually unsettle the basis of binary representations of Durban's economy. I propose to do this by firstly, examining how the research participants understood their activities in relation to other economic activities and how this suggests particular ways in which economic activities across the city can be thought of as co-constituting interdependent networks. Secondly, I will draw out the material, temporal, and spatial aspects of the research participants' activities and examine how this results in ways in which economic activities overlap and are interconnected within, and beyond, the city of Durban. In referring to these

activities, I am attempting to draw attention to the ways in which diverse economic activities are entangled, interdependent, and interconnected and that this proliferation of interrelationships is integral to a successful growing economy.

In the second part, I aim to show that poor people's economic activities are integral to Durban's economy and its economic growth by decentring and dislodging the activities that are associated with economic growth from the formal (capitalist) register. It is worth recalling that this aim is based on a shift in focus, noted in Chapter Six, from outputs and income to *activities*. As sustainable livelihoods theory has shown, a focus on activities has a positivity and draws attention to what is being done rather than what is deficient. Contrast this with a singular focus on outputs and income that, although important, only draws attention to the ways in which poor peoples' activities are constrained and deficient because of their lack of access to equipment, credit, and so on.

7.2.1 Related economic activities

The purpose of this section is to demonstrate how the research participants understand their economic activity *in relation* to other economic activities. The understanding of an economic activity in relation to other activities suggests that economic activities are dependent on each other.

Earlier in Chapter Five, I noted how 'value chain' type analyses provided a means of connecting different economic activities together in Durban's Informal Economy Policy (EDD 2000). The evidence of connections between economic activities serves to erase a supposed formal/informal economy 'divide' and, consequently, promotes the view of a single economy of which poor people are a part. I propose to build on 'value chain' analyses by showing how economic actors understand their activities in relation to other activities is contingent

rather than pre-defined and that the economic activities that co-constitute each other do not necessarily have their wellspring in the formal, capitalist economy.

To demonstrate how the research participants understand their activities exist contingently in relation to other economic activities, I return to the example of Mr B's investments in moulds to make concrete lintels. I now focus on his activities of producing and selling the lintels. In recalling that he "felt that this place will have demand for this thing [lintels]", Mr B is aware that his production of lintels is related to the activity of selling. In terms of selling lintels, he notes that "people are getting used to it now" and making 'sense' of purchasing from him. He is "the only one doing this" and it is clear that this *absence* of other local producers and merchants is important in customers "telling each other" about his activities. The meaning of his productive activities is also related to other forms of exchange such as bartering "a lintel for a window frame because you have to work hand-in-hand with people". To draw together the points of this example, I point out that Mr B's productive activity is contingent on whether it is related to the absence of other producers, selling, or bartering. In this way, the contingent relation between different activities co-constitutes both economic activities. The difference inheres in the relationship and thus, difference *binds* diverse economic activities together across the city.

The 'value chain' approach draws attention to the complex ways in which different activities are connected, but tends to do this along one axis. However, it is not just that economic activities connect along a 'ladder' of the informal/formal spectrum. They are also always inevitably traced back to the formal centre of the 'real' (capitalist) economy. I turn to consider a different example from C-Extension, which builds on the 'value chain' approach, but seeks to illustrate how activities are related in many different directions and not necessarily always back to the formal (capitalist) economy.

Mr H has been selling fruit and vegetables next to bus and mini-bus taxi ranks for about ten years and supports a household of six people through this activity. He recently obtained a formal stall, developed by the eThekweni Municipality at Bester's Shopping Centre.²⁷⁹ He takes pride in listing his product range as including: "cabbages, potatoes, tomatoes, onions, apples and oranges" according to their seasonal availability. He usually purchases new stock from the (formal) Clairwood market and sometimes directly from farmers or suppliers who bring their products to the Bester's Shopping Centre. In this way, his supply chain is conventional and is replicated by many other informal fruit and vegetable traders throughout the city (cf. Witt 2000). The fruit and vegetable sellers face continual storage problems, have no access to refrigeration, and theft is a constant concern (cf. Cross et al. 2001; Witt 2000). Consequently, Mr H and the other fruit and vegetable sellers rely on continually replenishing their stock. This in turn, generates a daily need for a means of transporting the new stock. Apart from generating this need for transport, what is perhaps more interesting is that Mr H cooperates with a number of the other fruit and vegetable sellers around the Shopping Centre to hire a van to pick up the day's supply of stock. This cooperation extends to the collective preparation of lunch amongst the traders and the way in which Mr H's economic activities are entangled in relationships amongst the fruit and vegetable traders.

A 'vertical' value chain analysis of Mr H's economic activity draws attention to the ways in which the fruit and vegetable traders are 'trapped' in an activity that does not earn enough income to propel them into higher earning activities (cf. Posel 2001). Extensive analysis of the informal fruit and vegetable trade has confirmed that many fruit and vegetable sellers neither know their daily profits nor earn enough income to escape seemingly desperately overtraded market conditions (cf. Cross et al. 2001; Skinner 2005). However, the example of Mr H's

²⁷⁹ Mr H pays "R25 per month to eThekweni Municipality" for rental, cleaning and access to water.

‘collective’ pricing system for selling tomatoes suggests that economic activities can co-constitute other economic activities ‘horizontally’ as well as ‘vertically’.

According to Mr H, the best time for sales is “in the afternoons”. Mr H understands that his activity is related to the formal shops in the shopping centre. He and his fellow traders compete for sales with the formal shops. That is, the competition is not his fellow traders who are selling more or less the identical items at similar prices in the stalls immediately next to him and around the shopping centre. Not surprisingly, it is very difficult to differentiate prices when there is a common source of supply amongst the traders. Therefore, the prices at which Mr H sells tomatoes are determined by their quality. Thus, the traders tend to collaborate so that the price remains more or less the same and the quantity of tomatoes at that price is adjusted according to the quality. The better the quality, the lower the quantity that are offered for the same purchase price. In a context where storage of a perishable item is an issue, the economic activity of selling is differentiated according to quality/freshness. It follows that widening the range of tomatoes for sale to suit different household budgets will depend on differentiating the quality of the tomatoes. The greater the differentiation, the greater the choice and more likely it will be to attract a wider range of customers and thus, in turn, support a wider range of sales.

Indeed, if the location of the fruit and vegetable sellers next to the Shopping Centre and bus/mini-bus taxi rank is taken into account, there are ways in which the selling of fruit and vegetables is more tangibly related to the public transportation ‘sector’ than to the formal fruit and vegetable wholesale market in the value chain. The location of the fruit and vegetable traders reflects interdependence with the spatiality of township resident’s lives and their travel needs. The widespread lack of private transport means that it is difficult for individual households to buy fruit and vegetables in bulk. When the fruit and vegetable customers have to walk long distances it is neither easy, nor comfortable to walk far with heavy purchases. At the same time, these customers

do not want to purchase goods too early in their journey in case they spoil or are required to pay for an extra seat for their purchases. The cost of purchasing an additional seat in a mini-bus taxi pushes up the cost of the items prohibitively. Even if households could afford to transport their fruit and vegetables in greater quantities, they would then be faced with the requirements to store the produce securely and to minimise deterioration. This problem is overcome by purchasing the fruit and vegetables in smaller, daily amounts. The ideal point at which to purchase vegetables is therefore at a point where the mode of transport changes and the customer is close to their final destination. The location of the fruit and vegetable sellers shows a keen awareness of this spatiality and of people's daily rhythms across a city that is fragmented and segregated. The existence of the market reinforces the area as a point to which bus and mini-bus taxi customers are attracted and where taxis converge and depart. In drawing attention to the perishability of tomatoes (their materiality), the location of the economic activity of selling (at the rank) and the times (in the afternoons and seasonal changes in supply) I start to anticipate other ways in which poor people's economic activities in C-Extension are interconnected and overlap with other activities in the city. Before moving on, I pause to summarise this section.

In sum, I have suggested that the research participants understand that their activities exist in relation to other activities and actors. The differences between activities are contingent on the interactions between these activities and inhere in the perceived relationship rather than in an understanding of the activities as independent and pre-formed. It follows that understandings of economic activities are diverse and cannot be bounded. Difference, in this sense, binds activities together in networks of interdependence that do not necessarily have their locus in the formal (capitalist) economic register. This yields a view of Durban's economy where activities, even very small ones such as those in C-Extension, are a 'constitutive power' of the economy (The Community Economies Collective 2001). Ronald Burt (1995) argues that economic activities are generated when agents can get between overlapping networks of activities.

Following this line of thinking it is possible to hypothesise that the greater the diversity of economic activities in Durban, the greater the possibility of economic actors to generate new economic activities.

7.2.2 Overlaps and interconnectedness

The research participants drew attention to at least three different elements of their economic activities. They talked about the *material* qualities or physical attributes of the objects they produced or worked with. For example, this included the weight of concrete lintels that meant they were difficult to steal, the speed of assembling items such as sewing church uniforms, the perishability/durability of commodities, or the tools and equipment needed to dig trenches. They also remarked upon the *spatial* distance they had to walk/travel to obtain inputs for their activities such as LP gas, the places and boundaries of their operations both inside the neighbourhood and further afield in the centre of the city or rural towns, or the location of suppliers typically in the central city or competitors. Finally, they related their activities to the *times* of the day, their durations, frequencies, suspensions, or disruptions. Examples include the best times to sell, how the rhythms of the school day and year affected activities, or how activities fluctuated according to the seasons and annual cycles within the year.

The ways in which economic activities have a materiality, spatiality, and temporality and how these aspects overlap and interconnect demonstrate another way that poor peoples' economic activities are part of the city and inside a broader story of economic growth. I now return to the example of Ms J's production and sales of *iziqeda*. As a number of scholars have pointed out, economic activities such as Ms J's provide a convenient service in poor areas due to their accessible location in the immediate neighbourhood (cf. Cross 2000;

Markewicz English, Mander, and Mbokodo 2000).²⁸⁰ However, the production and sale of *iziqeda* is related to more than spatial proximity to a market. The physical properties of the *iziqeda* (that it must be frozen) are an important part of this convenience that contributes to their production and sales. The quick freezing properties of the flavoured mixture minimises the amount of electricity required and the availability of free water means that the barriers to entry for this type of economic activity are low.²⁸¹ Since the *iziqeda* must be frozen (and remain frozen) they must generally be distributed/sold from a house or structure with affordable electricity and a freezer. In instances where Ms J packs her *iziqeda* into a cooler box and sells at the local bus-stop or football match, she must be sure of relatively quick sales in a big enough market on a hot enough day. Equally, the long travel times in the searing temperatures of Durban's summer means that it is very difficult for people to purchase these items from 'formal'/industrial sources of ice-lollies and transport them home for their children. Industrial suppliers appear unwilling to invest in a distribution system in peripheral township areas, possibly because of a general fear of crime (cf. Harrison, Todes, and Watson 1997). The spatial distance and widespread lack of private transport means that industrially produced ice-lollies purchased in a formal shop are unavailable in C-Extension. Even if people could transport *iziqeda* home, they are likely to face a storage and/or refrigeration problem. Homemade production is similarly constrained by the lack of refrigeration. This means that children buy *iziqeda* on demand. The temporality of *iziqeda* production and sales extends beyond the time it takes to make the items or the seasonal changes in sales volumes.

The sale of *iziqeda* relies on the amount of cash circulating through the activities that make up Durban's economy (Cross et al. 2001). This is evident as Ms J's

²⁸⁰ Although, as noted in Chapter Four, it is necessary to constantly bear in mind that this 'convenience' arises because of Durban's fragmented, inefficient urban form makes access to wider opportunities, amenities and facilities difficult.

²⁸¹ As discussed in Chapter Five, eThekweni Municipality's block rising water tariff structure subsidises the free provision of the first 6 kilolitres per household per month.

sales peak cyclically at the end of the month when workers in the formal economy are paid. Nevertheless, other factors beyond a focus on the amount of cash circulating also influence her activities. These include the school calendar that determines the availability of her market. It also includes the annual leave cycle and working conditions (determined by labour legislation) of the parents of the children that make up her main market because the parents are the conduit through which the cash flows. Thus the seasons, school calendar and leave cycles overlap and intersect in different ways to produce peaks and troughs of sales in relation to the monthly flows of cash generated in the formal economy. In this case, Ms J's activities are intertwined with, and follow, the infrastructural networks of roads, electricity and energy, water and sanitation. This underscores Philip Amis' (2004) observation that it is much easier for urban governments to destroy livelihoods through the non-provision of infrastructure than create employment.

The material, spatial, and temporal aspects of Ms J's economic activity are neither reducible to each other nor fixed. This suggests that both her economic activities and others in Durban result from the combination of these aspects that are at times uneven, fleeting, enduring or even contradictory. The overlaps and interconnections emerge as the activities share spaces, infrastructures, seasons, cycles, daily rhythms and enable Ms J to engage in economic activity. Equally, however, these same issues prevented homemade and industrial production from occurring in C-Extension. This raises a more general issue about how the material, spatial, and temporal aspects of activities might displace, supplant, isolate, or insulate particular economic activities from others even though they overlap or are interconnected, and how the lack of infrastructure enables certain economic activities.

It follows from the notions of overlap and interconnectedness that economic activities can be *multiply* related to other activities and their associated materialities, spatialities, and temporalities. Attentiveness to how these different

aspects relate and combine arguably enhances the efficiency and effectiveness of economic activities (Miller 2002; Callon 1998). This in turn hints at the complexity of how economic activities are interrelated but also provides a different basis for starting to think about how the ‘propulsive’ dynamics of economic growth might be produced and ‘transmitted’ or sustained across the city.

7.2.3 *Networks of interdependencies*

When considering Mr B’s lintel production earlier, I deliberately restricted the attention to a singular relationship with other activities even though the example threatened to overflow the limits I was imposing. I did this to draw attention to the way that relational difference binds economic activities together. Now I more fully represent the way in which the research participants understood their economic activities as being multiply related to other economic activities. Indeed, it is difficult to think of an example of the understanding of an economic activity only being related to one other economic activity. I turn to the example of Ms M (selling hats, scarves and so on) to illustrate the how economic activities are multiply related to other activities and how this is important for allowing Ms M to elaborate many different stories within the city and beyond. The implication of activities being multiply related is that it proliferate the possibilities for overlaps, interconnectedness and interdependencies of activities that make diverse economic activities possible in the first instance.

Ms M started selling hats and socks in the absence of similar activities, when she did not observe anyone else selling these items in C-Extension. Her economic activity of selling hats, handkerchiefs, scarves, umbrellas and socks is related to her part-time employment as a domestic worker (two days per week). In an environment where people spend lots of time outdoors (walking or waiting for public transport) sometimes on unmade roads, hats that offer “protection from

the sun and the cold, and sometimes go with a style” and socks which wear out quickly have a ready market. Small items such as socks are also sub divisible from the bulk packs in which they are found in shops and can therefore be offered on a more affordable and accessible basis to people as the seller goes door-to-door. The affordability and accessibility are more likely to ensure a cash flow for the seller (cf. Cross et al. 2001). She notes, “people don’t have money in the middle of the month, so they pay me at month end”. Ms M knows that credit and convenience are important aspects that co-constitute her activity and will “let people buy on credit” if it will help her make a sale. Selling these items from door-to-door has a specific temporality because the best time for sales is the “afternoons and weekends” when people are more likely to be at home. Her ability to offer credit and/or convenience however, is restricted to “around C-Extension [and adjacent] B-Section” where it is easy to locate customers in networks and follow-up for payment. She is not restricted by previous sales because the same person “might like to buy for someone else, or want another colour”. She started selling socks and so on from door-to-door with a capital of R100 and in a good month has a turnover of “between R350 and R400”. This contributes nearly half of an overall monthly household income of between R800 and R1200. However, she prefers domestic work and is always seeking to secure additional work of this type. For this reason her activity of selling hats and socks and her domestic work are simultaneously related to her acknowledged *inability* to engage in another economic activity selling perishable commodities such “vegetables [which] can get rotten”. The durability of hats and socks in combination with her preference for domestic work is multiply related to another activity of selling vegetables and have multiple meanings.

It follows from this view that economic activities are part of networks of interdependencies with other economic activities, and their materialities, spatialities, and temporalities. Thus, activities can simultaneously have multiple identities and consequently, can overlap. Given that this interdependence is co-constituted it is difficult to bound the processes of interaction. Nonetheless, the

process of establishing the identity of economic activities is not infinitely boundless. Although in theory, the establishment of relationships between activities could proliferate endlessly, the meaning of economic activities is neither so unstable nor uncertain to make categorisations impossible. Understandings of activities are restricted, confined, channelled, and ranked in many ways (Graeber 2005; Gudeman 1986). One of the ways that understandings of economic activities are contained is in the categories of production, consumption, investment, services and exchange/selling that I used to illustrate the range of economic activities in C-Extension. Another is through the generation and maintenance of different economic registers. I return to the notion of different economic registers, first raised in Chapter Five as another means of both bringing some order to the endless proliferation of relationships between activities and at the same time, sustaining forms of difference.

7.2.4 *Maintaining different economic registers*

Chapter Five drew attention to the local government policy maker's recognition of a number of different aspects to the local economy. It is worth recalling that these included aspects such as the natural resource base of the city, self-help housing construction processes, and the informal economy. I suggested in Chapter Five, that the recognition of these different aspects offered potential to rethink Durban's economy, even if in their conceptualisation in the LTDF they reinforced the dominance of the formal (capitalist) economy as the source of economic growth. Here I extend this view and while I retain the term 'economy' for a sense of the whole, the different aspects, registers, and economic activities draw attention to the diversity of the economy. The term 'registers' is used here to refer to the metrics in which value is made measurable and expressed in different ways and how social activities are interpreted in different aspects of the economy.

Now I return to these diverse aspects and the different ‘registers’ they suggest to point to certain ways in which these aspects are an important feature of Durban’s economy and integral to its economic growth. There are two points that emerge from the research participant’s economic activities. The first is that the different aspects add to the diversity, that I have suggested above, is integral to the prospects for economic growth in Durban. The second is that in conventional views of the economy, it is expected that the assumed organicism of capitalist activities will expand and transform other aspects of the economy (cf. Gibson 2001). Accordingly, in this view, all economic interactions and activities are reduced or flattened to a single register. However, the ways in which the research participant’s in C-Extension engage in economic activities suggests sensitivity to these different aspects and an ability to move between them without necessarily flattening different activities into a single (capitalist) register. This is not to deny that there are powerful interests in Durban such as those contained in neo-liberal adjustments enacted through the economy (Mosoetsa 2004) or commodification of municipal services (Desai 2002) that precisely seek such a flattening or reduce all economic activities into a capitalist register.

There are two different ways in which these different registers add to the diversity of Durban’s economy. The first is to add diversity *within* the different aspects of the economy by proliferating the number of registers that could potentially be called upon by economic actors to interpret and understand economic activities. The second is to add diversity *across* the different aspects of the economy by increasing the permutations of different overlaps between economic activities. I will now provide examples of these.

The first example of creating diversity within different aspects of Durban’s economy is suggested by the informal sales of *iziqeda* in C-Extension. Two of the three sellers of *iziqeda* amongst the research participants based their activities on a motive or ‘logic’ other than that of profit maximisation. For example, although Ms S could continue to sell *iziqeda* in winter, she chooses not to because she

believes that “children will get the flu”. Another example is Ms J who generates enough money to “pay her electricity... buy credit for [her] mobile phone... buy food... and sometimes pay [her] sister’s bus fare”. Ms J knows she could make a lot more if she “sold cigarettes”, for example. The sale of cigarettes is usually highly profitable (cf. Cross et al. 2001). However, Ms J chooses not to and ensures she is not disturbed at night. This is because children do not purchase *iziqeda* at night, while adults would be attracted by the convenience of purchasing cigarettes. As a single woman, living with her sister and child, she chooses not to attract customers at night that would most likely be men.

Ms H who is temporarily employed by eThekweni Municipality as a fieldworker to update the city’s property valuation roll provides an example of working across different registers.²⁸² Ms H was recommended for the position because of her experience in processing household application forms for the recent allocation of national government Housing Subsidies for households in C-Extension.

The enrolment of properties in the city’s property valuation roll serves two purposes and points to the fact that dwellings in C-Extension circulate according to a diverse range of values. Ms H points to these two purposes by explaining that:

“... by what I am doing, people with houses under the value of R90,000 are able to get a discount on their accounts and if they want to sell the house they will know its value”.

The first purpose related to eThekweni Municipality’s active ‘indigence policy’²⁸³ in terms of which property taxes levied below R100,000 are progressively discounted. Thus in 2004, properties with a value less than R30,000 received the highest rebates.²⁸⁴ Since almost all the properties in C-Extension fell into the category it was in the interests of residents/owners to obtain an up to date

²⁸² The valuation roll is the basis upon which local property taxes are levied.

²⁸³ Brian O’Leary, Interview, 29/03/04.

²⁸⁴ ‘Lifeline’ property tax rebates are available for dwellings valued at less than R100,000. The highest rebates are provided to dwellings valued at less than R30,000 and the lowest rebates to those valued between R90,000 and R100,000.

valuation. The second purpose is to allow the dwelling to circulate in a 'housing market'. Dwellings in places such as C-Extension circulate in very different registers of kinship and household relations to that of 'the market' (cf. Nell, Gordon, and Bertoldi 2004).

There are a number of examples that emerged of sensitivity to different aspects to the economy. One example is 74-year old Ms C who grows vegetables for sale and household use, on "a place on the bank of the river ... [which] ... does not belong to anyone". She depends on access to the river and seasonal rain for irrigating although she notes, "if she could get a dry piece of land, I can grow carrots, potatoes and tomatoes". Within this natural resource base of the economy she:

"... sells and saves all the money. I then take it to the bank when I am finished what I am selling. It varies from R600-R1000 per year. I am saving this money so I will have something to rely on when I'm too old and can't go to the garden or if I die, my children can use the money to bury me".

The final example of sensitivity to a different register relates to the exchange of gifts. I return to the household where Ms T's cooking for the household provided an example of consumption activities. As noted earlier the household's sole source of cash is a State Old Age pension grant. Despite this, the household had contributed a crate of beers to a kinship celebration the day prior to the interview. The beers had been purchased in the formal economy and physically carried to the celebration to be communally consumed. At the celebration, a written tally of all contributions was recorded to ensure equality of reciprocity in the future.

It is not easy to straddle the different trajectories of these diverse aspects of the economy (Simone 2001). However, the point about these diverse aspects of the economy and the registers they offer up is that poor people in C-Extension have a sensitivity to them, and operate within and across the multiple understandings

that can be generated. That they are important to both make sense of difference and create it.²⁸⁵ They do not try to flatten the differences into a single register but instead provide a basis for new forms of difference to emerge. The difference is critical to being able to have multiple meanings, elaborate different stories and generate new activities. In this way, these aspects and registers add another dimension, brought into view by sustainable livelihoods theory, to the strategic choices available to households in composing livelihoods.

This section has presented the complexity of the research participant's economic activities in C-Extension and I pause to gather the suggestions I have made before proceeding with the second process which is *dislodging* the concept of economic growth from the formal (capitalist) economy and that is necessary to write poor peoples' economic activities into the story of economic growth. Based on simple descriptions of poor peoples' economic activities in C-Extension, I elaborated the complex ways in which these activities make up a differentiated spatialised economy in Durban by examining it in four different, but interrelated ways. The first step is to see economic activities as relationally constituted. The implication is that difference between activities is established through the relation between economic activities thus *binding* diverse activities together rather than separating them. The second step is to suggest that the materialities, spatialities and temporalities of economic activities are integral to generating relationships between these activities. Consequently, because materialities, spatialities, and temporalities of economic activities are uneven, discontinuous, and combined in different ways a picture of a tangled enmeshed economy emerges. This brings to mind the 'interlocking potential' of diverse activities (Simone 2005b). This potential proliferates as economic activities multiply co-constitute each other. The research participants understand their activities

²⁸⁵ Often these registers are ranked in prestige (Graeber 2005). It appears that it is just important to engage in activities that move up the hierarchy, as it is to secure a material output. The hierarchies of prestige vary in space and time but commonly circulate around kin, religion, care, culture or 'the market'. The research participants choose when to activate them, rank them in different ways and convert activities up the rankings according to different social and personal criteria.

across and within these diverse aspects of Durban's economy and at the same time generating the basis for new forms of diversity.

Having generated a view of Durban's economy that consists of proliferating relationships binding activities together through networks of interdependencies, with entanglements of interconnections and overlaps, the task remains to ensure that economic growth does not remain locked within the capitalist/formal aspect of this differentiated spatial economy.

7.3 Dislodging and decentring economic growth

Before poor peoples' economic activities can be written into the story of economic growth it is necessary to dislodge and decentre the activities associated with economic growth from a singular capitalist economic register and specific (confined) locations within Durban. The purpose is to show that activities such as innovation and productivity that conceptually underpin economic growth can potentially occur anywhere within the networks of interdependencies, overlaps, and interconnections in Durban.

I propose to begin the task of dislodging and decentring economic growth from the spatial and conceptual confines of a capitalist aspect of Durban's economy in two progressive steps. The first step works from the existing and dominant understandings of economic growth and sets out the means of disrupting these understandings. The second step looks to the role of the relations and interconnections amongst different activities and how these relate to innovation and productivity and in so doing start to shift our understanding of the basis of economic growth.

7.3.1 *Unsettling economic growth*

It is worth recalling from Chapter Three that the dominant theories of economic growth involve the different ways in which the levels and combinations of capital, labour, and technology can increase productivity and innovation. The theories, in turn, are based on a conceptualisations of activities that are generative, propulsive, and/or innovative and importantly, confined within particular physical spaces and 'spaces' of homogenous rationalities or logics. However, in this chapter, I have suggested ways in which diverse economic activities are interdependent and interconnected. To my mind, economic activities throughout the city (and beyond) are bound together by (discontinuous) differences and the diverse interconnections that arise through the sharing of infrastructures and overlaps of the material, spatial, and temporal aspects of economic activities. Therefore, there is an argument to be made that all economic activities are less pure and singular than they are made out to be and cannot be captured through a binary understanding of the economy as capitalist/non-capitalist or formal/informal.

Since it is virtually impossible to limit or determine the point at which the interdependencies, interconnections, and overlaps of economic activities end – either physically or in terms of meaning – it is possible to suggest that the activities associated with economic growth are less bounded, internally coherent, and independent than they are represented as being in dominant accounts of economic growth (and for that matter, poverty studies). If different economic activities are in fact related then it suggests that it is certain configurations of activities which are responsible for economic growth and it is more difficult to identify a single activity as the locus of economic growth with any certainty or precision. It is within configurations of activities, rather than through the isolation of single activities that it would be possible to identify propulsive or generative activities for example.

This is an important first step in dislodging and decentring economic growth from its perceived current location in particular formal, well-developed spaces of the city and within the rationality of the capitalist economic register. The limitation of this view is that it suffers from what Cameron and Gibson-Graham (2003) describe as an 'added-on approach'. Thus, while the approach suggests ways that diverse economic activities are endlessly linked, the linkages remain conceived within the existing dominant systems of representing and measuring economic growth. As a result poor people's economic activities remain marginalised because they are perceived as too small, fragmented, lacking in equipment, credit and so on, to be measured and hence, to contribute to economic growth. It is necessary to take a further step.

7.3.2 *Reconceptualising innovation and productivity*

A concept/phenomenon such as economic growth can be reconceptualised in many ways. Here I look to the relations and interconnections of economic activities and how they make economic growth 'visible' and 'sayable'. To arrive at a view of the economy and economic growth which is based on a new understanding of productivity requires stripping away the concepts that buttress the dominant view.

I begin by distinguishing between profitability and productivity to offer possibilities for measuring economic growth beyond a capitalist register of profitability. I continue by focusing on the dominant argument that economic growth is spatially confined and bound by a homogeneous rationality/logic. It is the view of a bounded space of economic growth that this dominant argument marshals that offers the possibility of reconceptualising innovation and productivity and ultimately, the means by which poor people's economic activities can be considered as contributing to economic growth. By turning this bounded view of space on its head, it emerges that economic growth (as

dominantly conceived) has as much to do with the extra- or non-economic power to fix, immobilise, isolate, and lock-in advantage across spaces in the city, as it does with innovation and productivity.

I begin by suggesting one way in which to reconceptualise economic growth is to widen the registers in which economic growth is measured by broadening the current singular focus on 'profitability'. Castells and Portes (1989) observe that poor people's economic activities in informal economic networks have contradictory effects on the growth of capital, labour, and productivity. Thus, they introduce doubt to the view that poor people's economic activities cannot be profitable and hence, contribute to economic growth. They point out that on the one hand, the productivity of poor peoples' labour may be lower because the production technologies they utilise are less advanced, and it is suggested that poor peoples' economic activities are over-represented in consumer type services where gains in growth tend to be lower. On the other hand, poor peoples' productivity of capital may be higher because their overhead and labour costs are lower (Castells and Portes 1989, 30).²⁸⁶ Consequently, to dismiss poor peoples' economic activities *tout court* appears unwise. However, Massey (1996, 249) takes the argument a step further and makes the point more clearly – although productivity and profitability are related, they are not the same.²⁸⁷

In hegemonic accounts of the economy, profitability is generally regarded as an 'engine of growth'. Capitalism as arguably one of the most efficient means of generating profit has therefore come to be seen as the most effective way of ensuring increases in productivity. Massey (1996) notes that there is not an

²⁸⁶ Indeed there may be merit in pursuing this argument in the future. An initial observation of the economy that comes into view in C-Extension is one where there is very little room for error. Activities are enacted/stocks are replenished on demand/'just-in-time'. However, in this efficient economy, there is little capacity to absorb the inevitable delays that arise from the complexity of these economic relations.

²⁸⁷ While more subtle and complex calculations of productivity exist (cf. Bhorat and Cassim 2004) these tend to be focused on only the formal, capitalist economy and their mathematical bent are generally less popularly accessible than the (assumed neutrality and universality of the) concept of profitability.

automatic link between profitability and productivity. Some activities may be profitable but not productive (e.g. the armaments industry), some activities may be productive but not profitable (e.g. public transportation systems), and some activities may be indirectly productive and not linked to profitability at all (e.g. unpaid domestic household reproductive labour). The implication is that the conflation of the concept of productivity with the concept of profitability contains discussions about productivity within the (capitalist) aspect of the economy equated with generating profits. If the concept of productivity is at the heart of economic growth then it is important to distinguish it from profitability to allow for the growth contribution of diverse economic activities.

I now turn to consider the view that economic growth occurs in bounded spaces in the city and within particular 'spheres of (capitalist) rationality'. Against this dominant view, I hold up the analysis developed in this chapter. In particular, if economic activities, such as those described in C-Extension, have multiple meanings that emerge from their interconnections and relations with other activities, it follows that they have no inherent meaning or characteristics. That an economic activity can be 'seen' or 'said' to contribute to economic growth is dependent on its location in the networks of interdependencies, interconnections and overlaps rather than its physical location. For example, the same activity (such as Mr V's catering service in C-Extension) in a different network of economic relationships (such as the formal/capitalist register) would conventionally be considered to be contributing to Durban's economic growth.

That said, it is the power to fix, immobilise, isolate and lock-in economic activities across the spaces of the city and to 'see' these activities as contributing to economic growth that determines the economic growth of the city. It is the spatiality of this power that reveals the extra- or non-economic power that is brought to bear to immobilise, fix, networks of interdependencies and interconnections rather than the ability to be innovative (cf. Mitchell 2002; Zein-Elabdin 2004). The involvement of extra- or non-economic power in

conventional analyses of the economy alerts us the way in which the concept of economic growth is reductionist. Economic growth is what *and where* it is measured to be. 'What' and 'where' economic growth is considered to be are in turn a function of the power within networks to make social phenomena 'visible' and 'sayable' (de Boeck and Plissart 2004; Simone 2004; Powell 1990).

Thus, and alternatively, for an economic activity to be considered as productive or innovative does not only have to do with its profitability/output or location in particular spaces in the city or 'spheres or economic rationality'. Instead, it also depends on its location in overlapping, interdependent, and interconnected networks. In this new view, economic growth is based on innovation which involves *generating multiple economic meanings*, sharing infrastructures *in new and more intensive ways*, creating *generative overlaps*, all alongside using equipment and assets more productively, intensively, and sustainably.

To conclude, I return briefly to C-Extension to illustrate this view of productivity and innovation. In terms of generating new meanings in relation to existing economic activities, it is possible to think of Ms H's involvement in the valuation of dwellings in C-Extension as diversifying the aspects of the economy in which the dwelling could be perceived as an asset and creating the basis for new interconnections with financial institutions. Ms S's production of sewing church uniforms, using sewing machines donated by a Chinese charity to her associational group, to diverse customers within and beyond the city²⁸⁸, demonstrates the initiation of new interconnections. There are a number of examples of using infrastructures more intensively. The obvious examples include the production of *iziqeda* and lintels that both depend on the (limited) supply of free water. However, another example could also be the informal fruit and vegetable sellers, who until recently, used the road-side to conduct their

²⁸⁸ Ms S takes orders for church uniforms at the annual Easter celebration of her church when large numbers from all over the province congregate at Maphumulo. The orders are paid for up-front and the uniforms delivered the following Easter.

activities or the informal traders selling small snacks to school-children during their breaks on the school grounds.

7.4 Durban's differentiated spatialised economy

In this final section, I draw together the claims that I have been making, which suggestively write poor people's economic activities into the story of economic growth in Durban.

I have suggested that economic activities are understood by the research participants to be multiply related to other economic activities across, and beyond, the city. This is based on an understanding that the difference between economic activities is contingent on the perceived relationship between activities. In this sense, all economic activities can be seen as constitutive of the economy. The research participants in C-Extension highlighted sensitivities to differences between economic activities by operating within and across different aspects of the economy. This multiplied the possibilities for different understandings to emerge between economic activities and served to make economic agents available to elaborate many different economic activities across the city. In addition the material, spatial, and temporal aspects of economic activities point to diverse interconnections, overlaps and the sharing of infrastructures which generate an interlocking potential for economic growth.

I proposed a view where diversity, entanglement and interrelations amongst economic activities are key contributors to innovation and, in turn, the generation of new activities. Whether these innovations prove to be propulsive or multiplicative is dependent on which assemblages or configurations of activities they are part of as much as on the characteristics of the activities themselves. The example of Mr V's catering service was an example of this. In this way, I pointed to the mobilisation of resources that are external to particular economic activities

to show how networks of interdependencies are fixed and immobilised and thus securing only certain activities as being considered as contributing and benefiting from economic growth. In relation to this last point, it is necessary to return to the caveat stated in the introduction that to make the contribution of poor people's economic activities to economic growth 'visible' and 'sayable' is not the same as seeing these activities within and across the economy as equal to each other.

There is a crucial distinction to be made between suggesting that economic activities are overlapping, interconnected, and interdependent and the ways in which the results of these relationships distribute resources and assets. Not all overlaps or interconnections work to allocate resources, commodities and people in the same way. This underscores an earlier point in relation to the capitalist economic register that it is not always dominant but that it is important to be attentive to the times and places where it is. The ability to convert innovative economic activities into a propulsive force appears to have much to do with existing inequalities in the distribution of resources as well as the extra- or non-economic power to spatially fix the reach of particular activities. As Friedland and Robertson (1990a, 12) comment, "if the determinants of state policies that shape costs and profitability, investment and growth, lie outside of the marketplace, then analyses that bracket off the market are likely to be misspecified".

Not all economic activities can be part of growth in the same way, simultaneously. By definition, the activities that are associated with economic growth must be randomly and unevenly distributed. This, to recall Chapter 2, is a key feature of Lewis' (1976) model of economic growth and poverty. But, unlike the model described in Chapter Two, the generative activities that can be considered to result in growth are no longer found solely in the 'modern (capitalist) sector' of the economy. Now, since the generative activities that cause growth are contingent rather than predetermined (Allen et al. 1998; Massey

1996) or, to use Gibson-Graham's (1996) terminology – overdetermined – the impetus for economic growth (and different forms of economic growth) could be located anywhere in a differentiated spatial economy. A similar point can be made for activities that transmit or sustain processes of growth. The implication of this view is that in some cases an activity could generate/transmit/ sustain a growth dynamic because of the actualisation of certain qualities and in some cases the location of the activity in a network could be more important in terms of the growth dynamic. If a differentiation between diverse economic activities cannot be made within hegemonic accounts of the economy, it is necessary to direct the attention to the extra-economic power that is brought to bear on defining what is 'seen' or made 'sayable' as part of economic growth (Charusheela 2004; Friedland and Robertson 1990b).

7.5 Conclusion

In this chapter, I set out to shift the dominant understanding of the economy to show how poor people's economic activities can be written into a story of Durban's economic growth. I noted that enabling this shift required generating new economic subjectivities. Poor people are not outside of discourses of poverty and economic growth. I intentionally located the research participants and research area squarely within existing poverty discourses that suggest that poor people's economic activities are unable to contribute to economic growth. Nonetheless, by adopting a different subject position and 'valuing what people do' a diverse range of economic activities was brought into view.

Through drawing attention to the spatiality of economic relationships I built up a view of the Durban's economy in which poor people's economic activities were 'visible' and 'sayable' in relation to economic growth. Thus I analysed how the research participants understood economic activities in relation to other activities. This built on a 'value chain' analysis by showing that economic

activities are related in diverse ways that go beyond the ‘verticality’ of the concept of chain. I noted also that the wellspring for such diverse chains was not always the formal capitalist economy. The diverse ways in which activities were understood to be related suggests that these activities are a constitutive part of Durban’s economy – even if policy makers are unable to recognise this.

I pointed to the research participant’s keen awareness of three different elements of their activities. This related to factors such as the timing and duration of activities, the material qualities of goods and commodities, and the physical spaces in which they operated. This signalled ways in which economic activities follow infrastructural networks that shape the patterns of daily life and how the relationships between the activities must inevitably overlap and be interconnected. These overlaps and interconnections start to shift our understanding of how activities might be considered propulsive and the importance of infrastructure in transmitting such dynamics across (and beyond) Durban as a city.

These overlaps and interconnections provide the basis for thinking how an understanding of such economic activities could be multiply related to other activities. This, in turn, suggested a complex and discontinuous network of interdependencies exist across the different aspects and registers of Durban’s economy. I showed how these different aspects are productive of difference (within and across the economy) and provide for the possibilities of economic agents elaborating many different economic trajectories. Despite such a diverse view of Durban’s economy, the analysis still left the possibility that the locus of economic growth could be considered as residing in the formal capitalist economy.

Stepping back from the immediacy of economic activities in C-Extension, I proposed that the diverse and multiple understandings that co-constitute economic activities means that these activities are likely to have less pure and

singular meanings than they are conventionally made out to have. As a result, it is more difficult to locate economic activities within binary understandings of the economy and the perceived conditions for economic growth. Taking this further, I began to reconceptualise the concepts of innovation and productivity by casting doubt on the dominant view that poor people's economic activities are neither profitable nor productive. I continued by noting the differences between profitability and productivity. I argued that if productivity is not necessarily related to profitability and economic activities have no inherent characteristics that relate to their ability to be productive and innovative, then any activity within a diverse economy could potentially be considered as productive and innovative. I observed that assumptions about which activities in the interdependent networks contributed to economic growth were determined by extra- or non-economic power to discursively (and ultimately materially) fix and immobilise the spatial relationships between economic activities and, in so doing, 'lock in' assets and resources.

Finally, I proposed a different view of productivity and innovation that involved generating multiple economic relationships and sharing infrastructures in more intensive ways. Thus economic growth might be supported by policies encouraging generative overlaps between activities and supporting the more intensive use of equipment and assets. To that end, I outlined how poor people's economic activities in C-Extension do indeed suggest ways in which poor people's economic activities provide a 'platform' for a different form of urban economic growth in Durban.

eight

Conclusion

How can our understanding of economic growth be broadened to include the contributions of poor people's economic activities? This is a fundamental question because the concept of economic growth has such a purchase on notions of social progress and well-being and, as part of this, Poverty Studies considers economic growth to be a necessary, if not the sufficient condition, for the ultimate eradication of poverty. There is thus good reason to ensure that we thoroughly interrogate the concept of economic growth and that any form of growth is as inclusive as possible. In this light, my question gains added weight because dominant theories and approaches to poverty are unable to consider how poor people's economic activities might contribute to economic growth.

The current dominant policy understandings of the relationship between poverty and economic growth suggest that for economic growth to reduce poverty levels, poor people's economic activities must be absorbed, connected or included in the formal economy. On the one hand, these strategies stand in stark contrast to the diversity of poor people's experiences of poverty that are acknowledged in Poverty Studies. On the other, such strategies make the profound and implicit assumption that poor people's economic activities and processes of economic growth are somehow separated or divorced from each other. It is clear that there are indeed many ways in which poor people are divorced, disconnected and/or excluded from formal economic processes and I am neither seeking to discount the brutality of these exclusions, nor claiming that such exclusions do not obtain in far too many circumstances. But what if the 'obviousness' of this assumption obscures the ways that poor people's economic activities are already part of processes of economic growth? What if we did not gloss over the assumption that

poor people's economic activities are separated from processes of economic growth? Consequently, at the core of my argument has been the view that questioning the 'obviousness of poverty' in South Africa offers the basis for a new 'poverty politics' as a means of starting to think of more effective ways of reducing urban poverty.

My argument has been based on the assumption that the 'obviousness' of poverty represents the sedimentation and stabilisation of a set of power relations that delineate the parameters of claims to the 'truth'. The truth about poverty is therefore an effect of power that holds together what is 'visible' and 'sayable' about poverty. This suggests that 'obviousness' is produced through a combination of discourses and practices. In order to question this obviousness, I looked for ways in which poverty was *made* 'visible' and 'sayable'. That the obviousness of poverty is made 'visible' and 'sayable' in different ways suggests that it is as important to pay attention to the processes which produce these ideas as to *what* is claimed because the two facets are intricately related.

To provide the basis for an alternative view of poverty I sought to prise apart the relations of power that hold together what is currently 'visible' and 'sayable' about poverty, and specifically about the relationship between poor people's economic activities and economic growth in Poverty Studies. My aim was to critically engage with the construction of accounts that have been 'productive' of dominant understandings of poverty. The chapters traced some of the power relations that hold the 'visible' and 'sayable' together across different 'sites' of Poverty Studies: processes of defining poverty in national poverty studies, broader theories of poverty, and institutional practices around local policy making in the city of Durban. I set out to interrupt the taken-for-granted, to unsettle dominant terms and to pose questions against the grain in order to shift what is 'visible' and 'sayable' about poverty in relation to economic growth. This cleared the way for new understandings of poor people's economic activities to emerge. I suggested that considering poor people's economic activities as a

component of dispersed networks in a diverse economy allows for these activities to be made 'visible' and 'sayable' in relation to economic growth in new ways which, in turn, encourages a new 'poverty politics'. In conclusion, I highlight the implications of this 'poverty politics' for researching, theorising and policy making, and assess the potential for shifting the dominant view of the economy through analyses that broaden our understanding of economic growth and spatialise economic activities.

8.1 'Poverty politics'

In discussing the implications of the 'poverty politics' I have identified, I begin to outline an agenda for changing the ways in which researchers and activists understand poverty. In sketching this outline I specifically focus attention on the issues, factors and subjectivities that are potentially within the control of poverty researchers and policy makers. In so doing, I aim to demonstrate the possibilities for incremental but effective discursive and practical changes.

8.1.1 Poverty research

By highlighting the inevitable partiality of definitions of poverty I was able to draw attention to the ways in which poverty researchers have been thoroughly implicated in constituting the phenomena of poverty that they described. This was useful because it began to disrupt the sense of objectivity that the appeals to the 'obviousness' of poverty rely upon. The recognition of the ways in which definitions of poverty were inevitably partial was also important for highlighting the *effects* of this partiality for poor people. These effects have consequences for what is made 'visible' and 'sayable' and who can legitimately state the 'truth' about poverty. Bringing together a new subjectivity on the part of poverty researchers and a focus on the effects of the partiality of definitions for poor

people provides the basis for recognising that poverty researchers are well placed to initiate changes in discourses and practices around poverty. The acknowledgement that the power relations that hold together the 'visible' and 'sayable' operate across many different sites of Poverty Studies means that the task of developing new discourses and practices will not be easy. Nevertheless, there are strong precedents in South African poverty research to draw upon.

The rich empirical history of five national poverty studies (the Carnegie Inquiry, PSLSD, SA-PPA, PIR and Poverty Hearings) demonstrated that implicitly, if not explicitly, the researchers developed many different definitions of poverty that all had certain effects for poor people. The definitions developed in the five studies had effects that were related to whether poor people's voices were heard or silenced in particular ways. Thus, for example, the Carnegie Inquiry (de)defined poverty to silence expert, white (racially discriminatory) voices to allow poor, black voices to be heard as part of the struggle against Apartheid. By contrast, the PIR tended to silence poor people and authorise and legitimise the voice of the state in addressing poverty. Whereas the Poverty Hearings took a different approach and, by conceptualising the definition of poverty around basic human rights, provided a powerful platform for all poor people to exercise their right to speak out and be heard.

The acknowledgement that definitions are inevitably partial and that this partiality has effects for poor people should encourage a general sensitivity to such issues and which, in turn, could provide more opportunities for them to emerge and be considered in Poverty Studies. An issue that is currently not 'visible' and 'sayable' in dominant theories of poverty is how poor people's economic activities contribute to economic growth.

8.1.2 *Poverty theories*

My review of the five national poverty studies revealed that three theories of poverty have predominated. These theories of poverty are income poverty, basic needs, and sustainable livelihoods. The theories have all offered significant insights into the nature, experiences, causes and effects of poverty. Such insights inform current national and city development policies to reduce poverty. However, all three theories rely heavily on a specific conception of economic growth. This conception is strongly biased toward notions of innovation and productivity that can be measured in terms of outputs and profitability. While each theory emphasises different aspects of this conception of economic growth and brings poor people's economic activities into view in different ways, they all faithfully import the core assumptions that are seen to underpin the economy and economic growth.

As a result, researchers and policy makers firstly consider poor people's economic activities to be separated from economic growth processes. Secondly, there is an implicit hierarchy between poor people's economic activities and those activities which are thought to contribute to economic growth. Working with these assumptions the strategies to reduce poverty are restricted to the relatively narrow approaches that seek to 'absorb', 'connect' and/or 'include' poor people in the formal economy. Clearly, secure employment and reliable infrastructural connections, informed by respect for citizen and employment rights are worthwhile goals for any society to strive for so I am not arguing that these are unimportant processes. I am claiming, however, that attempts to reduce poverty should not be restricted to these three strategies – however encompassing they might be considered.

The view that poor people have no direct claim on the proceeds of economic growth has the result of requiring others to bridge the perceived separation between poor people and the proceeds of economic growth. The ability and

perceived responsibility to speak ‘for’ poor people (Bracking 2005) in respect of claims on the benefits of economic growth, depends on a view that poor people are divorced in some way from this process and unable to press their claims directly. The investments in this view of economic growth therefore draw poverty researchers into adopting a subjectivity that mediates between poor people and economic growth and hence, perpetuates the perception of a separation between poor people’s economic activities and economic growth. As Maia Green (2003) has noted, the ability to mediate claims on the wealth of society is also the ability to police these claims and tends to institutionalise such processes in the state (Sandbrook 1982). Institutional poverty practices such as policy making at the city level, therefore have a powerful role to play in shaping a new ‘poverty politics’.

8.1.3 Policy making

A shift in analytical focus, from broader processes, to exploring *urban* poverty policy in the city, made it possible to bring together a view of institutional poverty practices and the relationship between poverty and economic growth. This was because cities are increasingly considered as the ‘engines of economic growth’ and sites of increasing poverty, particularly in developing countries such as South Africa. The analysis of institutional poverty practices reveals multi-layers through which the power to hold the ‘visible’ and ‘sayable’ operates.

The inability to consider poor people’s economic activities as contributing to economic growth at a theoretical level is replayed in institutional poverty practices at a city level and this has spatial effects for stimulating economic growth and the equitable development of cities. This suggests that the view that poor people’s economic activities are unable to contribute to economic growth is ‘hardwired’ into wider institutional poverty practices so that poor people are ‘obviously’ unable to contribute to economic growth. Thus many progressive policy makers in Durban became locked into privileging the formal economy and

looking for opportunities to connect poor people into this formal economy. This understanding of the economy and economic growth was most clearly presented in the Monitor Group's analysis of the city's economy, but such an understanding is not unique to this consultancy company. In terms of this understanding, the long-term development policy of Durban was based on a view in which the city (and increasingly, the nation) is dependent on economic growth found in spatially bounded areas where the formal/capitalist economy is predominantly located. I suggested that the effect of this understanding was that capital expenditure on infrastructure in the city would be skewed towards the formal/capitalist economy, while poor people's infrastructural needs would be met by relatively basic levels of infrastructure provision.

Thus, Durban's current long-term development policy very clearly identifies specific areas of the city that are responsible for economic growth (formal, industrial) and those that are not (former townships, peripheral) and, respectively, differentiates infrastructure spending according to 'productive' and 'basic needs' assessments. In effect, this (unintentionally) privileges the formal economy as the only source of economic growth and in the absence of an alternative view of economic growth at the level of local government, planners have no justification for extending the level of infrastructural provision to areas considered poor or marginal to processes of economic growth. As a consequence, historical forms of racial exclusion threaten to find new institutional expression in an exclusionary discourse of economic growth.

Policy making around poverty in Durban in the late 1990s occurred in a period of unusual institutional change. It was perhaps not surprising that the concept of poverty provided policy makers with a reference point that was perceived as relatively stable. While this level of institutional change is unlikely to be repeated very often or in many other countries, I believe that the broader point remains valid: there are many different activities that are invested in the concept of poverty. The ranges of different activities are themselves the product and process

of local histories and power relations. Hence, attempts to formulate poverty reduction policies are not just based on notions of poverty that emerge from Poverty Studies. Instead, such policies are the complex melding of a range of different activities and understandings. The power relations that inform these activities and understandings are therefore likely to shape the eventual form of any poverty reduction policies. Where there are powerful economic actors with specific economic discourses these are also likely to have an important impact on poverty, as I demonstrated in the case of Durban.

However, there is a richly suggestive body of research work on different aspects of Durban's diverse economy. These different aspects included the natural resource base, self-help housing programme, and the informal economy. Despite the official acknowledgement of these aspects of the economy, they were not considered as contributing to the city's economic growth and tended to confirm the dominance of the formal/capitalist economy in growth terms. Examples of such practices included casting the economic activities of poor people in the image of formal/capitalist activities and considering economic activities to be initially aspatial. The former tended to result in these economic activities being considered a second best alternative to formal economic activities, while the latter consolidated a view of economic growth as occurring in the formal economy. Nevertheless, this body of work on these diverse aspects alongside the formal/capitalist economy offers a potential basis for broadening our understanding of diverse economies.

However my account of poverty research is partial too. There are many issues and factors that have become obscured by privileging the effects of 'poverty politics' on poor people. I have deliberately used the term 'poor people' rather than 'the poor' throughout the thesis to refer to *people* who are considered by others to be poor rather than the more homogenising term of 'the poor' that also implies a certain objectivity and distance between 'us' and 'them'. But critics

would be correct to point out that the use of the term ‘poor people’ has homogenising effects of its own and does little to address the vast differences in experiences of poverty between poor women and men, for example. The point is that it is not possible to escape this partiality and in light of this recognition the best we can do is continually attend to its effects. There will always be pressures to fix the definitions of concepts and stabilise their meaning and this thesis is no different in that respect. I believe that from a social justice perspective this means maintaining sensitivity to the effects of partiality but always looking for opportunities to privilege the effects on people who are poor.

8.2 Broadening the concept of the economy

I drew inspiration from Gibson-Graham’s concept of ‘diverse economies’ to widen the scope of activities that can be made ‘visible’ and ‘sayable’ as contributing to economic growth and to dislodge the notion that economic growth processes are confined to specific formal (and capitalist) areas of the economy and city. The concept of diverse economies rests on a belief that language is a representation of the social phenomenon we seek to describe and the continual need to question and deconstruct binary logics that underpin our understanding of the world.

The advantage of the concept of ‘diverse economies’ is that it is built on the recognition that representations of the ‘real’ (capitalist) economy are fundamentally representations of only part of whole economy. The concept of diverse economies rests on the view that economic activities constitute economies and that an economy consists of many more activities than are currently ‘visible’ in the ‘real’ economy. When the economy is considered in terms of this broader view, the capitalist/formal economic activities associated with the ‘real’ economy represent a smaller proportion than is generally assumed. Finally, the concept of diverse economies suggests that the division

between those activities that are generally acknowledged as part of the ‘real’ economy and those that are not, is ultimately socially constructed and neither inevitable nor pre-determined.

In order to recognise ‘difference’ within the economy I began by shifting the focus of attention away from immediate concerns with outputs and profitability per se to economic activities. This offers an outline for a wider appreciation of the economy, one that is able to ‘hold’ all of the diverse aspects of Durban’s economy in a single framework without needing to flatten the activities into a single register of, for example, profitability. In the case of Durban, where the economy is being promoted by policy makers and politicians as important for the long-term future of the city, there is good reason to work with a broad sense of the economy to maximise its growth potential and increase the inclusiveness of this growth.

8.3 Spatialising economic growth

Gibson-Graham offered a relational view of space that identified and allowed for activities in one place to co-constitute activities in another place. I suggested, however, that the application of the diverse economies framework tended to work against their original intention of understanding economic spaces as relationally constituted and that they tended to do this in one dimension – the global/local – in an attempt to give effectivity to *local* economic relationships. Picking up their invitation to examine the dynamics between diverse economies, I sought to extend the spatiality of the concept of diverse economies.

Extending their view required a slightly different terminology, because the concept of diverse economies is difficult to operationalise. I therefore retained the term economy for the overall entity (in this case, Durban’s economy) and introduced the notions of aspects and registers within the diverse economy to

appreciate the differences in economic activities. While Durban's economy has a particular spatiality that is contingent on a diverse range of economic relationships, the aspects and registers that constitute Durban's economy have their own spatiality that co-constitute diverse economic activities. These cut across and do not always have their origin in the capitalist aspects of Durban's economy. Attending to these spatialities and how they are dependent on infrastructures, daily rhythms and the materialities of economic activities introduces an appreciation of the dynamics between activities.

Drawing on empirical material from an area in Durban's poorest northern townships, I showed how poor people's economic activities are a constitutive part of Durban's economy and of processes of economic growth, which could not function in the way they do without the involvement of poor people's economic activities. I drew attention to the ways that the research participants understood that their activities exist in multiple relations to other activities and actors. The differences between activities were contingent on the interactions between these activities and inhere in the perceived relationship, rather than in an understanding of the activities as independent and pre-formed. It follows that economic activities could not be spatially delimited. Difference, in this sense, *binds* activities together in networks of interdependence. This yields a view of Durban's economy where activities, even very small ones, were a 'constitutive power' of the economy.

I proposed a view of the economy where diversity, entanglement and interrelations amongst economic activities are key contributors to innovation and, in turn, the generation of new activities. Whether these innovations prove to be propulsive or multiplicative is dependent on which assemblages or configurations of activities they are part of, as much as on the characteristics of the activities themselves. But, not all economic activities can be part of growth in the same way. By definition, the activities that are associated with economic growth must be randomly and unevenly distributed. But, unlike the current

understanding of economic growth, the generative activities that can be considered to result in growth are no longer found solely in the formal, capitalist sector of the economy. For an economic activity to be considered productive or innovative does not only have to do with its profitability/output or location in particular spaces in the city or aspects of the economy. Instead, it also depends on its location in overlapping, interdependent, and interconnected networks. In this novel view, economic growth is based on innovation which involves *generating multiple understandings of economic activities*, *sharing infrastructures in new and more intensive ways*, and *creating generative overlaps*, all alongside using equipment and assets more productively, intensively, and sustainably.

A richer view of Durban's diverse economy revealed ways in which configurations of networked activities are responsible for economic growth, rather than single activities, as well as the complex interdependence of economic activities on infrastructure. It provided a way of looking for instances where different networks of economic activities might be dominant or seek to 'lock-in' advantages. As a result, I also identified dynamics that existed outside the 'purely' economic realm and which sought to immobilise and lock-in advantage into economic networks. This suggested that an investment in narrow understandings of 'the economy' were likely to remain mis-specified because the power to determine what counts as economic growth, for example, is determined outside of what is commonly represented as 'the economy'. However, there are other consequences for local government in Durban for failing to consider poor people's economic activities as contributing to economic growth.

By not being able to make 'visible' and 'sayable' the links between poor people's economic activities and economic growth, progressive planners do not have a justification for providing higher and greater levels of infrastructural and service provision to poorer areas. When compared with 'productive' areas of the city, these poorer areas are considered outside of, or marginal to, the economic

growth processes of the city. In a context where cities are increasingly being pressured by national governments to stimulate economic growth, progressive planners have no evidence to counter the view that the existing formal capitalist areas of the city are always the sole locations of the city's economic growth.

The city is restricted in its ability to stimulate and harness the innovations and creativity that is currently occurring in the poorer parts of the city. In the case of Durban, these poorer parts comprise approximately 40 per cent of households and thus, from the city's perspective, this is a considerable resource that is not being capitalised upon. Furthermore, local government planners are unable to work with a framework that holds together the diverse aspects of Durban's economy. In the context of an historically fragmented society, it is possible to argue that it is fundamentally important to develop conceptual frameworks that integrate both economic activities and the divided spaces of South Africa's cities – not least for the poorest residents in these cities.

It is worth recalling from Chapter Seven that it was not surprising to the research participants of C-Extension that their economic activities are not considered by policy makers to contribute to economic growth. Poor people themselves are not beyond poverty discourses. However, the implication of my analysis here is that when poor people engage in the dominant discourses of poverty I have described, they are (perhaps unwittingly) participating in a process that is severing their direct claims on the benefits of economic growth. It is hard to imagine instances when it may be strategic for poor people to rely on others to mediate their claims, nevertheless it would be unwise to discount the possibility entirely. However, a consequence of operating within these dominant discourses of poverty is that one yardstick for the allocation of infrastructural resources will be their impact on productivity and profitability. When infrastructural investments are evaluated in this register it is not surprising that it is very difficult to argue against investments that are able to build on existing large-scale infrastructures which

can be formally measured. The result is that investments will continue to be skewed to areas of the formal economy.

A further consequence is that the ways in which poor people are already part of networks in the economy will be consigned to aspects that remain perceived as unimportant for economic growth. The implication is that the existing, and urgently needed requirement for support to poor people's economic activities will not be prioritised. Instead, support for poor people's economic activities (well-intended as it may be) will be confined to strategies that are aimed at absorbing, connecting, or including such activities within the formal economy.

However, such consequences for local government can begin to be addressed and I conclude by providing suggestions for the ways in which local government may take advantage of the understanding of economic activities as networks of interdependencies. The first is to return to the basic concepts of innovation and creativity that underpin the notion of economic growth. This requires refraining from immediately imposing evaluative criteria associated with the formal economy, such as output rates and profitability, on poor people's economic activities. It is clearly important to measure economic growth but it is possible to change both the timescales and geographic scales at which economic growth is measured. This leads onto the second point, which is to invest in ways of understanding the economy as a series of networks. If economic activity is possible because of the contingent differences between economic activities, supporting the networks through which these differences become apparent should stimulate new economic activities. The third is to shift to a broader view of the role of infrastructure as enabling economic activities to overlap, interconnect and be interdependent on each other. In this view, a narrow concern with affordability of 'basic needs' infrastructure contains within it an inbuilt brake on South Africa's future prosperity, because it limits the potential for networks of interdependent activities to emerge that, in turn, underpin economic growth.

Thus, this thesis amounts to an attempt to show that poor people's economic activities are part of economic growth processes in Durban by building on debates in the 1970s about the informal economy and basic needs and by decentring understandings of the economy and economic growth. I have been arguing for more than an attempt to (simply) *add* poor people's economic activities into the existing dominant understandings of the economy and economic growth. Such an additive step would certainly suggest that poor people's economic activities are equal to activities associated with economic growth, but it retains intact the dominant conceptualisations and categorisations of the economy that I have argued has problematic effects for poor people. Rather, my intention has been to argue for the need to continually attend to the conceptual definitions of poverty and economy and their effects and work towards recognising, deconstructing or utilising these divisions for progressive purposes.

8.4 Conclusion

I have argued that attempts to substantially reduce poverty in Durban are ultimately thwarted because current research, theorising and policy making is conceptually trapped by a reliance on a particular conceptual and spatial understanding of the economy and economic growth. This understanding of the economy introduces conceptual differences that represent poor people's economic activities as separate from processes of economic growth and require poverty researchers and activists to fulfil certain subject positions that mediate between poor people and processes of economic growth. These forms of mediation evaluate and 'police' the claims of poor people on the benefits of economic growth, and make it very difficult to make 'visible' and 'sayable' how poor people's economic activities might already contribute to economic growth. Ironically, the more successfully poverty researchers and activists fulfil this

advocacy subject position, the more entrenched an understanding of the economy that separates poor people's economic activities from economic growth is likely to be.

I suggest that for Poverty Studies to work itself out of its conceptual trap requires an attentiveness to both a different subjectivity on the part of the researcher and the simultaneous questioning of how the economy and economic growth is conceptually and spatially understood, including from the perspective of poor people. It requires continual attention on the part of poverty researchers and activists to their complicity in (re)producing the effects that inevitably arise from partial endeavours. Thus attention to the effects of knowledge, as much as the content, is constantly required. It requires continually evaluating the conceptual boundaries that are operationalised in research and working to deconstruct and understand them. Once Poverty Studies recognises that politics does not begin and end with poverty reduction strategies to absorb, connect, and/or include poor people in processes of economic growth, but that it is already present in how these strategies come to be seen as obligatory, then 'poverty politics' will never be the same.

Appendix 1

Methodology

The purpose of this appendix is to provide greater detail to the brief outline provided in Chapter Seven. The methodology is divided into three sections that reflect the four ‘empirical’ chapters – Chapters Two, Four, Five, and Seven.

Chapter Two

The analysis of discourses reveals how definitions are implicated in constructing and sustaining ‘systems of belief’ about the nature of social reality (Hastings 1998). Thus, the methodology of this chapter required close readings of the key documents and transcribed interviews with the authors of the texts or research project leadership to contextualise the documents.

Chapter One consisted of semi-structured interviews with the authors/project leaders of the five national poverty studies that have been undertaken since 1980 in South Africa. The technique of semi-structured interviews was selected for this chapter and Chapters Four and Five to ensure that common themes were discussed with all the interviewees but to allow for some flexibility to pursue unanticipated lines of inquiry that emerged during the interviews. In the table below I set out the respective authors and key documents.

Study	Documents	Authors/project leaders interviewed²⁸⁹
Second Carnegie Inquiry into Poverty in southern Africa	<i>Uprooting poverty. The South African challenge</i> (1989)	Prof Francis Wilson Mr Dudley Wilson Dr Pundy Pillay
Project for Statistics on Living Standards Development	<i>South Africans rich and poor: Baseline household statistics</i> (1995). <i>Lessons from the Project for Statistics on Living Standards Development</i> (1996).	
South African Participatory Poverty Appraisal	<i>Experience and perceptions of poverty in South Africa</i> (1998)	Prof Julian May
Poverty and Inequality Report	<i>Poverty and inequality in South Africa. Meeting the challenge</i> (2000). <i>Poverty and inequality in South Africa</i> (1998)	Prof Julian May
National Speak-Out on Poverty Hearings	<i>The people's voices. National speak out on poverty hearings</i> (1998)	Ms Jacqui Boule

The hundreds of original conference papers generated by the Carnegie Conference in 1984 were not revisited because the book summarising and integrating the conference papers is more accessible to researchers and policy makers and circulates in a wider domain and thus, is arguably more important discursively. The importance of the book is reflected in it being awarded the Noma Award for Publishing in Africa for 1990. It is the discursive power of the Carnegie Inquiry as reflected in the book that is of concern in this study rather than the accuracy with which the book reflects the original conference papers. The same argument holds for the PIR and Poverty Hearings.

The interviews with the authors of the studies were supplemented with interviews with academics working on urban poverty (Professor Susan Parnell, University of Cape Town) and a senior government official (Mr Goolam Aboobaker, The Presidency, Pretoria) who had been party to commissioning the

²⁸⁹ See Bibliography for dates and locations of interviews.

PIR. These interviews were recorded and transcribed to enable a policy analysis to be undertaken on the texts of the interview and documents.

A limitation of ex-post recall of events is that it is inevitably filtered through the present and intervening experiences and insights and the ability of respondents to remember all issues that may have been important in what were incredibly complex research exercises. It was perhaps unusual that, over a twenty year period, the five studies were led by such a small group of people – Francis Wilson, Julian May, and Jaquie Boule (with assistance from Dudley Horner and Pundy Pillay). Nevertheless, all of these individuals are widely respected in southern Africa and internationally, and their current interpretations of historical research processes on poverty are influential in contemporary debates and circulate widely given their institutional locations in universities and policy circles. This research deliberately takes the lead researcher's views at face value and as representative of the ways in which their understandings of their studies have evolved and should now be presented. What is important in my research is not whether the lead researchers provide a 'truthful' account of what happened but how these accounts are currently constructed as legitimate and authoritative and thus how they are implicated in producing authoritative understandings of poverty in different ways.

Chapters Four and Five

A mix of semi-structured interviews and an analysis of key documents informed these chapters. Below is a list of interviewees and their institutional location in relation to the Long Term Development Framework process and/or the Inanda-Ntuzuma-KwaMashu area-based management project.

Interviewee	Position/reason²⁹⁰
Ms Vidhu Vedalankar	Ex-CEO South Central Local Council, Durban and Project Manager: LTDF
Prof Dan Smit	Ex-CEO Metro Housing, eThekweni Municipality and consultant: LTDF
Mr Linda Mbonambi	Project Manager: Inanda-Ntuzuma-KwaMashu Lead Presidential Project and convenor of the Social Development group of the LTDF.
Mr Kisa Dlamini	Ex-Manager: Transformation Office, eThekweni Municipality.
Prof Francie Lund	Lead consultant: Informal Economy Policy, North and South Central Councils, Durban.
Ms Caroline Skinner	Consultant: Informal Economy Policy, North and South Central Councils, Durban.
Mr Eric Watkinson	Ex-Project Manager: Informal Economy Policy, Economic Development Department, eThekweni Municipality.
Mr Sogen Moodley	Participating planner in LTDF, Geographic Information and Policy Office, eThekweni Municipality
Mr Glen Robbins	Ex-Acting Director of Economic Development Department, eThekweni Municipality
Ms Jacqui Subban	Deputy City Manager, Geographic Information and Policy Office, eThekweni Municipality
Mr Ken Breetzke	Planner, Geographic Information and Policy Office, eThekweni Municipality.
Mr Brian O'Leary	Researcher, Geographic Information and Policy Office, eThekweni Municipality
Mr Aman Maharaj	Deputy Manager, Economic Development and Facilitation
Mr Nhlanhla Zondi	Deputy Head: Projects and programmes - Community Participation and Action Support unit, eThekweni Municipality
Mr Adrian Masson	Planner: Inanda-Ntuzuma-KwaMashu Lead Presidential Project
Mr Andrzej Kiepiela	Consultant and secretary to Durban Growth Coalition
Ms Soobs Moonsammy	Deputy City Manager, Development Planning, eThekweni Municipality (Interview conducted by Jennifer Robinson and Debbie Bonnin, 23 July 2004)

Key documents include:

Long Term Development Framework (2001)

Integrated Development Plan (2003)

²⁹⁰ See Bibliography for dates and locations of interviews.

Durban's Informal Economy Policy (2003)

Durban Metropolitan Council Green Paper on Economic Development (1996)

Durban Economic Review (2001)

eThekweni Municipality: Development Profile (2002)

Durban's economic future. Why help the invisible economy? (2000)

Employment issues and opportunities in the informal economy (2001)

Chapter Seven

The research relating to Chapter Seven was conducted with the approval of the Ward Councillor and local Development Committee. The Development Committee subsequently delegated responsibility for the smooth and safe implementation of the research to a working group consisting of four members. Through respected ex-colleagues working on a housing upgrading project, I was ensured of a smooth introduction to, and quick acceptance by, the local residents.²⁹¹

The data generation methodology for this Chapter included a brief socio-demographic profile drawn exactly from Statistics South Africa's Labour Force Survey (see StatsSA 2003b); a time-use survey methodology²⁹² and tailored, in-depth and unstructured interviews of individual members of poor households.

²⁹¹ However, the introduction of the research raised concerns. The concerns arose from the knowledge that the first people met and their subsequent 'claim' to introduce the research to others, has important bearings on how the research will be initially perceived and more generally welcomed. This issue was particularly important in the C-Extension community because the NGO working in the area was embroiled in highly contested community dynamics. If people had chosen to use my personal association with this NGO/ or particular community members, for their own purposes, the research project and access to people would have been blocked and it would have been impossible for the research to continue in the area. I was also unsure about how and when I should approach the Ward Councillor. As it turned out, I was able to make contact with the councillor quite quickly and also be introduced to the entire local development committee. Although people in this committee thoroughly interrogated my credentials and history I was able to satisfy them and, at the same time, make sure that I was not aligned to one group or another.

²⁹² Although time-use survey's were initially developed to understand people's lifestyle, they have been adapted to capture economic activities (Greenwood and Hoffman 2003) and informal economic activities (Hirway 2003).

The information at a household level was complemented by the participatory production of 'community timeline' by a mix of long-standing residents in the community and members of the current Development Committee.

In the following section the factors that shaped the methodology are set out. This is followed by a description of the interview process. The household level interviews were framed in terms of five key factors – existing discourses, sampling, and the location, timing and the period of the participants' activities to which the questions should refer.

Discourses

I make reference to discourses throughout the thesis. However, I have not undertaken a formal discourse analysis of the different policy studies, policy documents and interview transcripts. Although discourse analysis has been productively applied to poverty issues (see for example, Meinhof and Richardson 1994), my concern has been to focus on the power of statements, claims and pronouncements rather than the specific details of texts (Yapa 1998; Whitehead 2000; Destremau 2001; Du Toit 2004; Silver 1996; Mawdsley and Rigg 2002, 2003). I have adopted a more interpretive methodology of policy analysis to bring the relationships between poverty researchers, institutions and specific contexts into view.

The power of discourses of 'poverty' and 'the economy' are a consistent theme throughout the thesis. Discourses of 'unemployment' also emerged at times – particularly as a result of the PSLSD (Chapter Three) and as a priority issue in Durban (Chapter Four). But it is in relation to the empirical methodology of Chapter Seven that 'unemployment' discourses are a specific issue. For this reason, I spend a little time describing the situation in Durban.

To be unemployed in terms of South African labour statistics, a person cannot have done more than one hour's worth of work in the last seven days (see the list of questions to determine work, below). The rate of unemployment then varies according to the calculations take into account whether people are actively searching or not for work, respectively producing a 'strict' or 'broad' definition of employment. In Durban in 1999, Daniela Casale (2002, 287) calculated the number of people willing to accept work within a week and having taken action to find work over the preceding month (i.e. the strict definition) was 30.4 per cent of the official working age population. When the discouraged work seekers are included (i.e. the broad definition) the rate of unemployment rises to 36.5 per cent. In terms of absolute numbers, she translates these percentages into 383,500 strictly unemployed people and 501,200 broadly unemployed people.

In addition, Casale (2002, 292) notes that 27 per cent of employment in Durban is informal.²⁹³ This equates to 252,000 people (Casale 2002, 292). Although statistics of this nature are never exact, the official statistics suggests that one in three people in the working age population (age 15-65) are employed in the formal economy (Skinner 2005, 6). This raises the question of how unemployed people support themselves. The statistics are provided in Table 2 and suggest that the bulk of people are supported by people who are employed in either the formal or informal economy.

However, my concern is not with the accuracy of these statistics, but how such statistics and the discourses that they are part of, and contribute to, powerfully intersect to produce specific subjectivities. As Katherine Gibson (2001) clearly shows, such subjectivities are bound up with the broader understandings of the economy and economic activity. Thus the overriding concern in the research into poor people's economic activities was to avoid the key discourses of 'poverty', 'unemployment' and 'economy' since these generate powerful economic

²⁹³ This figure includes domestic workers.

subjectivities on both the part of researchers and those researched (Gibson-Graham 2002).

Table 2. Types of financial support drawn on by the unemployed in Durban

Type of support	Percentage
Supported by persons in the household	77.3
Supported by persons not in the household	15.9
Supported by charity, church, welfare, etc.	1.3
Unemployment Insurance Fund	1.5
Savings or money previously earned	2.8
Old age or disability pension	0.5
Other e.g. bursary, study loan	0.6
TOTAL	100.00

Source: Casale (2002, 293)

A time-use methodology offered the best possibility of ameliorating this concern. This is because a time-use survey focuses on peoples' activities as they are distributed within (in this case) a 24-hour period. The frame of reference is the day rather than 'the economy', form of 'employment' or characterisation of the activity as 'survivalist', 'marginal' or 'informal'.

Nevertheless, it was considered useful to be able to describe the participants' socio-demographic characteristics in conventional categories. The Labour Force Survey is a fundamental component of the way in which participation in the economy is measured in South Africa (see Devey, Skinner, and Valodia 2004; Muller and Posel 2004). It therefore made sense to base socio-demographic questions on the Labour Force Survey. This would facilitate the location of the participants' profile in broader statistical information and also make comparisons possible between how participants' responded to the Labour Force Survey approach and the qualitative approach of in-depth interviews. Therefore questions relating to sex, age, population group, level of education, amount of post-school training, sources of household income, source of most household income, and monthly household income were extracted. In addition the key

question that defines economic activity was drawn upon (StatsSA 2003b, 12). Thus participants were requested to indicate whether they had spent at least one hour in the last seven days:

- Running or doing any kind of business, big or small
- Helping unpaid in a family business
- Doing any kind of work on a household plot, food garden, etc.
- Catching any fish or wild animals for food or sale
- Doing any domestic work for another household for payment in cash or in kind
- Doing any other work for wage, salary, piecework pay, commission or payment in kind
- Begging for food or money in public.

The socio-demographic data generated describes the participants in conventional terms and categories. The location of the participants in broader national surveys and comparisons between the subjectivities co-created by different discourses and the production of unemployment statistics has fallen outside the scope of the study.

Sampling

The intention of sampling was to select those members of households most likely to be considered as *not* engaging in economic activities or to be engaged in activities that were unlikely to be perceived as contributing to economic growth.

Twenty households were randomly selected from among the approximately 230 households that make up the C-Extension area. However, the primary purpose of the sample was to be perceived by the 'community at large' to be selecting

households to participate in the research on a fair and objective basis rather than to generate a representative set of results.²⁹⁴

Each household was immediately requested to state whether any member of the household was employed in a full-time, permanent position in the last four weeks.²⁹⁵ The interview only proceeded if the respondent answered that there were no members of the household engaged in full-time, permanent employment. In this way, the households further stratified the sample to ensure that the research would be based on the data generated by those households where members were calculated as either unemployed or informally employed.²⁹⁶ There is a strong correlation between working in the informal economy and being poor (Meth 2003; Posel 2001). The presence of unemployed members in the household also increases the probability of household poverty (Bhorat and Leibbrandt 1998; Bhorat, Poswell, and Naidoo 2004; Woolard and Klasen 2005).

As indicated in Chapter Seven, the result of this selection process was to ensure that all of the participants were located in households that could be defined as *ultra-poor* in terms of Durban's income poverty lines and hence, most unlikely to be engaged in economic activities that could contribute to economic growth.

Location

The location of the interview in relation to economic activities is an important factor that was taken into account. This is because requesting to interview people at their place of 'work' would immediately introduce subjectivities about 'employment'. There were three possible options – in the household, at the site of

²⁹⁴ In order to avoid being seen to be favouring some households over others and thereby generating suspicions that could potentially make the area unsafe for the research or, at the very least disrupt progress, it was imperative to present the selection of households as an objective, random process.

²⁹⁵ This follows the conventions of the official Labour Force Survey (StatsSA 2003b).

²⁹⁶ In two cases, although respondents had initially indicated that there were no members of the household engaged in full-time, permanent employment, it transpired through the interview that there was indeed, at least one household member in full-time, permanent employment.

the economic activity or at a neutral third location. The household was chosen as the location for the interviews even though many participants in the research were engaged in home-based work and home-based work is extensive in Durban (Cross 2000). The household also provided the greatest privacy, convenience and confidentiality to participants. Travelling to the diverse locations of people's economic activities would have made the research much more difficult and time consuming. Awareness of the presence of other household members biasing responses was maintained and in one case this was clearly an issue and noted.

Timing

The last factor that was taken into account was when the interviews were conducted. Existing evidence suggests that members of poor households work incredibly long hours (Adato, Lund, and Mhlongo 2004). In addition because of unequal gender responsibilities in household reproduction, sensitivity was maintained to ensure that the time of the interview was suitable and convenient. The result was that the interviews were conducted at a range of times throughout the day and night.

Framing

In recording people's (economic) activities the key methodological differentiation is based on whether the data generated is based on 'participant recall' or 'direct observation' (Gregory and Altman 1989). This research is based on a 'participant recall' methodology. 'Participant recall' allows for a wider coverage of people's activities in a limited amount of time. It is also generally less intrusive in people's economic activities because it is not based on participant observation. The implication of this data generation technique is that relies on participants' accuracy of recall and the subjectivities co-created in the interview process.

A key issue to be resolved was the period against which the activities would be recorded. Research suggests that what people do on a Monday is very different to a Friday, or near the end of the month when people are paid, or around cyclical events such as paying school fees and seasonal changes (Cross et al. 2001; May 1998a). Only interviewing participant's once raised the critical question of whether the day's activities that people map could be considered 'representative' or typical. It was important to maintain a sense of what people considered to be their most important activity in the week as a whole, particularly if it did not happen on the day being recorded or the previous day was on a weekend. For example, a woman may work as a domestic worker but only for one day a week. This may be her most important economic activity but may not fall on the day recorded in the activity clock. The chosen solution in cases where the previous day was not typical was to request participants to record an 'average' day. An attempt was made to avoid resorting to this option as it introduced a larger scope for participants to interpret what they had done. As it turned out, it was utilised in one case only.

Tailored, in-depth and unstructured interviews

In-depth and unstructured interviews were selected as the best technique for this element of the research. The unstructured format allowed the research participants to guide the direction of the process and elaborate on the issues that they raised without a sense that their responses would be compared or calibrated against any other participant's responses. This was a crucial part of 'valuing what people do'. In cases where participant's responded with confidential information (for example, related to their ability to compete in particular markets) or the process provoked emotions of stress or anxiety, this technique allowed for an exploration of issues from another tack or an ability to respond more sensitively.

The interviews proceeded as follows. An appointment would be made prior to the interview with the selected household. Following a standardised, brief

introduction by the isiZulu-speaking research assistant and myself, a check would be made to see whether there were any fulltime, permanent workers in the household. If there were, the household member was thanked and the next household was randomly selected. If there were no fulltime, permanent workers and the household was in agreement, an appointment would be made for the interview.

At the start of the interview (conducted in isiZulu and English), a fuller introduction was made and the household alerted to what was proposed. On completion of the socio-demographic profile (preferably with the household head), participant's were provided with a blank clock face on a sheet of paper and requested to fill out their activities for the morning and afternoon, starting from the time they woke up. It was intended that all available household members over the age of ten years would be requested to complete an activity sheet.²⁹⁷ In the implementation however, this proved difficult to apply consistently and the focus remained on adult members of the household. The socio-demographic questionnaire was based on the interviewer posing a standard set of questions to the participating member of the household in relation to the rest of the household members. In contrast the time-use survey was designed to be produced by the participants' themselves.²⁹⁸

Once the activity clock was completed, 2 adult members were asked to identify their most important activity and then a checklist was used to tailor questions around the specific activity.²⁹⁹ The participants were thanked and given a small gift as a token of appreciation for their interest, assistance and time.

²⁹⁷ The Labour Force Survey (StatsSA 2003a) includes people 15 years and older and the Time Use survey (StatsSA 2001) includes the possibility of respondents being 10 years or older.

²⁹⁸ Participants generally completed the activity clock face by themselves. However, in some cases, it was completed under direction by the interview team.

²⁹⁹ A checklist of common factors, issues and processes that could influence an (economic) activity were drawn up to ensure some degree of commonality across the households.

'Community timeline'

The 'community timeline' was based on participatory action research methodologies and was designed and implemented to benefit from, and contribute towards, a collective history of the area. The process consists of collectively inviting participants to identify key events and processes within a particular period. The method seeks to benefit from the collective memory and experiences of participants and therefore generally develops a fuller historical account. This data was used in Chapter Four to demonstrate the effects of urban Apartheid on impoverishing Black people in C-Extension in particular, and in Durban generally.

Contributors to the 'community timeline' history

Recorded on 6 July 2004 in Sifunimfundo School, C-Extension.

Mrs Sarah Mhlongo

Ms Hlengiwe Ndwandwe

Mrs Thoko Zwane

Mr Masosha Mzwilini

Mr Ndoda Dlamuka

Mr Vusi Buthelezi

Mr Thembe Mzobe

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List of Interviews

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2. Professor Susan Parnell, University of Cape Town, Cape Town. 22 July 2004
3. Dudley Horner, SALDRU, University of Cape Town, Cape Town. 22 July 2004
4. Professor Julian May, University of Kwazulu-Natal, Durban. 22 April 2004 and 13 August 2004
5. Dr Pundy Pillay, Pretoria 29 July 2004
6. Goolam Aboobaker, Office of the Presidency, Pretoria. 30 August 2004
7. Kisa Dlamini, Public Transport Authority, Durban. 6 April 2004
8. Glen Robbins, University of Kwazulu-Natal, Durban 14 June 2004
9. Jacqui Subban, eThekwini Municipality, Durban. 19 March 2004
10. Ken Breetzke, eThekwini Municipality, Durban. 25 June 2004
11. Sogen Moodley, eThekwini Municipality, Durban. 23 April 2004
12. Brian O'Leary, eThekwini Municipality, Durban. 29 March 2004
13. Aman Maharaj, eThekwini Municipality, Durban. 9 June 2004
14. Nhlanhla Zondi, eThekwini Municipality, Pinetown. 19 April 2004
15. Linda Mbonambi, eThekwini Municipality, Durban. 10 June 2004
16. Adrian Masson, eThekwini Municipality, Durban. 15 April 2004
17. Caroline Skinner, University of Kwazulu-Natal, Durban. 25 February 2004
18. Professor Francie Lund, University of Kwazulu-Natal, Durban. 10 June 2004
19. Andrzej Kiepiela, Westville, Durban. 22 June 2004
20. Vidhu Vedalankar, Johannesburg. 28 July 2004
21. Eric Watkinson, Johannesburg. 28 July 2004
22. Professor Dan Smit, Johannesburg. 30 August 2005
23. Jacqui Boule, Cape Town. 7 September 2005

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